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Blast Kills Commuter At Victoria In London

Explosion There And at 2d Station Claimed by IRA

By Glenn Frankel
Washington Post Service

LONDON — A bomb planted in a trash can at Victoria railroad station exploded during the peak of the morning rush hour Monday, killing a commuter and injuring at least 41 other people.

Three hours before, a second bomb, planted in a roof support at Paddington station, exploded but injured no one.

The Irish Republican Army, which is fighting to force Britain from Northern Ireland, took responsibility for the explosions in a statement reported by the Press Association, the domestic news agency.

"The cynical decision of senior personnel not to evacuate railway stations named in secondary warnings, even three hours after the warning device had exploded at Paddington in the early hours of this morning, was directly responsible for the casualties at Victoria," the IRA statement said.

On Feb. 7, the IRA fired homemade mortar bombs at No. 10 Downing Street, the official residence of Prime Minister John Major, narrowly missing him and cabinet colleagues.

The police said a man with an Irish accent called a local travel information center 40 minutes before the Victoria explosion, warning that all of the city's 11 mainline stations would be hit. But the police did not close and evacuate the stations until after the blast.

The closures disrupted commuter travel and caused traffic snarls all over London.

There were more delays in the afternoon, when all four terminals at Heathrow, the country's largest international airport, were closed for several hours after another anonymous bomb warning. Outgoing flights were held up, while incoming planes stacked up on runways with their passengers forced to remain inside.

No bombs were found in the airport's four terminals and they were reopened.

The bomb at Victoria was placed in a trash can in the main hall of the station between Platforms 3 and 4, near a self-service ticket machine and a row of pay phones. It went off at around 7:40 A.M. as commuters were crowding around the machine to buy tickets.

"There was a big blinding light, a wall of fire, followed by a noise which came towards me," said Matthew Cyprus, 22, an assistant store manager, whose right foot was seriously injured. "People were shouting and there was screaming and panic."

"There were other people who were hurt worse than me," he said. "They had all sorts of injuries — leg injuries and arm injuries — and there were people all over the floor."

A bus driver, Jay Patel, who had

See LONDON, Page 4

Malcolm Croft/The Associated Press

Debris littering the concourse at London's Victoria Station after a bomb explosion Monday that killed a man and injured 41 others.

Gorbachev Peace Plan Is Carried to Baghdad, U.S. Vows No Letup

By Serge Schmemann
New York Times Service

MOSCOW — President Mikhail S. Gorbachev presented Iraq on Monday with a new plan to end the Gulf war. Details were not disclosed, but the proposals were believed to combine an unconditional Iraqi withdrawal from Kuwait with pledges of Soviet help in preserving Iraq's sovereignty and in calling a Middle East peace conference.

Mr. Gorbachev handed the proposals to Foreign Minister Tariq Aziz after a nine-day flurry of diplomatic efforts by Moscow to find a political resolution to the conflict before the United States gave the signal for an all-out ground offensive.

Mr. Gorbachev's spokesman, Vitali Ignatenko, said at a briefing that Mr.
Aziz was already en route to Baghdad via Iran.

"We expect a reply without delay to these proposals," he said.

[The United States said Monday that it planned to continue to prosecute the war while Iraq considered the Soviet proposal, The Associated Press reported from Kennebunkport, Maine, where President George Bush was staying.

["All our hopes at this point are on the conflict in the air and on the ground — push Saddam Hussein out of Kuwait," said the White House press secretary, Marlin Fitzwater. Page 3.]

The Soviet spokesman described the proposals as "a concrete plan to settle the conflict in the Persian Gulf by political means." He said the plan reflected "the principled position of the U.S.S.R. which provides for the Iraqi pullout from Kuwait and the observance of relevant resolutions of the UN Security Council."

Mr. Ignatenko said the Soviets thought the plan "was accepted with interest and understanding by the Iraqi side," and that Mr. Aziz was "very constructive" in the talks.

Though Mr. Ignatenko did not disclose any details, Mr. Gorbachev and other Soviet leaders have repeatedly emphasized that they adhere to UN resolutions calling for Iraq to withdraw unconditionally from Kuwait.

The incentive in the plan was thought to be in the form of a Soviet commitment to safeguard Iraq's government and borders and to work toward a comprehensive Middle East conference that would include debate on the Palestinian question.

The German tabloid Bild, citing unidentified sources in Moscow, said Moscow also opposed sanctions against Iraq and punishment for President Saddam Hussein.

In London, one of Mr. Gorbachev's deputy spokesmen, Sergei Gregoriev, said in an interview that the Bild version was "more or less" accurate.

"The Soviet message to Iraq is that Iraq should leave unconditionally," Mr. Grigoriev said in an interview with Independent Television News. "The message is: You leave unconditionally but you know at least that if you leave you can survive and there will be no further interference in the internal affairs of Iraq."

This approach was reportedly outlined earlier this month by the Soviet foreign minister, Alexander A. Bessmertnykh in talks with the U.S. secretary of state, James A. Baker 3d.

Elements of an approach have also surfaced in recent Soviet and Iraqi statements. Mr. Gorbachev began his mediating effort on Feb. 9 with a statement warning that the U.S.-led coalition threatened to exceed the UN mandate and with a declaration that a political settlement also should include the Arab-Israeli conflict.

Iraq, he said at the time, "should hold a worthy place in the postwar settlement."

That formula would enable Mr. Hussein to save face by claiming that he had achieved something of a political victory for the Arab world.

On Friday, the Iraqi leadership issued a declaration in which it agreed for the first time to withdraw from Kuwait. But the offer was twinned with a series of eight demands — including calls for the withdrawal of foreign troops from the region and Israel's withdrawal from occupied Arab lands — that drew a prompt rejection by Washington and its Western allies.

On Monday, however, Mr. Igna-

See MOSCOW, Page 3

War in the Gulf

Iran said its proposals raised a prospect of peace. Page 3.
On 'Love Boat,' the troops can drink and dance. Page 5.
Iraq's plan for terrorism has apparently been thwarted. Page 3.

After Moscow, What? Iraqi Options Are Dwindling

By Joseph Fitchett
International Herald Tribune

The assumption among U.S. and European diplomats is that Moscow's peace proposal can offer Saddam Hussein little beyond Soviet help in saving his life and his government if Iraq withdraws promptly from Kuwait.

Even that might be objectionable to the Bush administration, and to some allied governments that believe Mr. Hussein's removal has become essential for the chances of postwar stability in the Gulf.

Confirming the impression that the United States and other coalition governments are determined not to let the military offensive stall, French officials said Monday that Iraq probably only had a day in which to accept the Soviet plan.

To stop the war, they said, Iraqi forces would have to start pulling out of Kuwait immediately — either during a short cease-fire to allow them to begin moving or by starting to move troops north through designated routes leading out of Kuwait.

The U.S. preference, a European diplomat in Washington said, probably would be to avoid a cease-fire and force Iraq to retreat, perhaps obliging troops to use trucks and leave behind their tanks and other heavy weapons.

Beyond promising to help save the Iraqi regime, a Soviet source said that Moscow was unlikely to have gone further than saying, in effect: "We are willing to support your

NEWS ANALYSIS

demands for discussion of all the regional issues, and you can present that as a political victory, but we are not giving you any guarantee that anything you say is going to be accepted by other governments."

The source said that Moscow would argue that the Security Council did not put conditions on its demand for Iraq's withdrawal, so Iraqi armed forces should be allowed to leave Kuwait on their own terms if Mr. Hussein pledged to pull out immediately.

But U.S. and European officials rejected that interpretation. A U.S. source said: "Just leaving Kuwait would have been enough in August, but too much has happened since then for Saddam to decide now that he can simply choose which resolutions he will respect and how he will comply."

A U.S. official, who declined to be identified, said that the Bush administration could count on congressional support for continuing the war until Iraq agreed to comply with all the UN resolutions concerning Kuwait, including demands for war reparations.

Iraqi acceptance of those conditions, he said, seemed unlikely until Mr. Hussein was ousted and a new government in Baghdad could try to negotiate terms for a cease-fire.

While no allied leader has publicly echoed President George Bush's call for Mr. Hussein's overthrow, European officials said privately on Monday that governments with combat forces in the Gulf — including the Arab allies, Britain and France — appeared unlikely to agree to waive any of the UN demands.

But several acknowledged that if Iraqi forces were

See PLAN, Page 4

2 U.S. Ships Hit Mines In the Gulf, 7 Injured

International Herald Tribune

Two U.S. warships engaged in a minesweeping operation widely seen as a prelude to a possible amphibious landing were damaged on Monday by mines that tore a gaping hole in an 18,000-ton helicopter carrier and reportedly cracked the superstructure of a guided-missile cruiser.

The Tripoli, a Marine amphibious assault ship that carries helicopters, hit a mine that opened up a gap measuring 16 by 20 feet (five by six meters) about 10 feet below the waterline and flooded several compartments.

A couple of hours later, the 9,600-ton missile cruiser Princeton detonated a mine about 10 nautical miles away, while it was engaged in a search for two sailors erroneously reported overboard from the Tripoli, U.S. officials said.

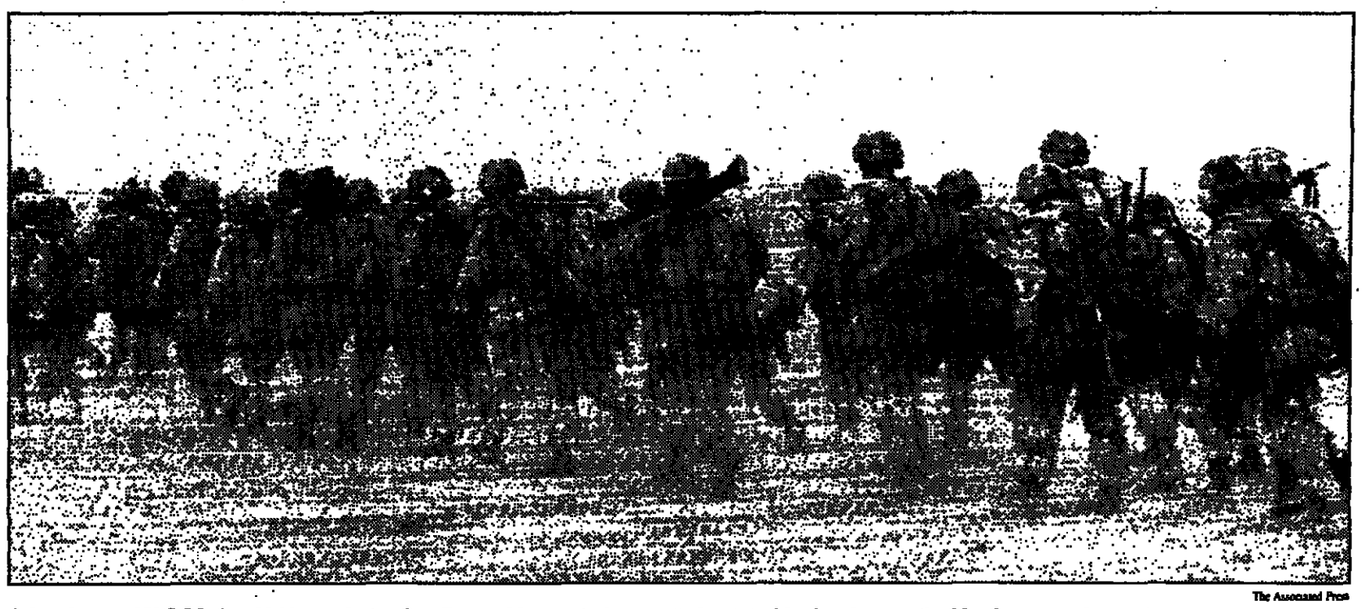
Brigadier General Richard I. Neal of the U.S. Marines said the Princeton detonated an underwater "influence" mine, activated by magnetic or sound waves, and designed to blow up under a ship, breaking its keel.

The force of the explosion lifted the Princeton out of the water and cracked its superstructure, without holing the hull, a U.S. officer said.

Three seamen from the Princeton were injured and transferred to a British ship for treatment, while four injured men on the Tripoli were treated on board, General Neal said. None was reported in serious condition.

The Tripoli, which carries a crew of 685 and up to 2,000 Marines, apparently had been used as a floating base for countermine helicopters. It was stopped dead in the water for several hours, but after emergency repairs it was again

See WAR, Page 4



The Associated Press

A detachment of U.S. Marines kicking up dust as they dispersed from a staging area in Saudi Arabia after they practiced for the expected ground assault.

Kiosk

Police Encircle Tirana Campus

VIENNA (Reuters) — Hundreds of police and special troops surrounded Enver Hoxha University of Tirana on Monday as Albanian students began a hunger strike to demand the removal of the name of the late Stalinist leader from the university's official title, an opposition leader said.

A leader of the opposition Democratic Party, Gramoz Pashko, who is also an economist at the university, said by telephone from Tirana that several hundred security officers had surrounded the campus, where 500 students and staff began the hunger strike Monday afternoon. Most of Albania's 10,000 students have boycotted classes since Feb. 6, demanding political and economic changes.

General News

A town in Utah may have the ultimate innovation for the indolent traveler. Page 2.
China won't shun its fallen Marxist allies. Page 2.

Business/Finance

Many forecasters are insisting that the current U.S. recession will end by August. Page 9.
Oil prices Monday fell to near seven-month lows. Page 9.

Crossword Page 8.
Weather Page 2.

Drying Out in Desert: Sober Victory for Many GIs

By Philip Shenon
New York Times Service

JUBAIL, Saudi Arabia — The war against Iraq may not be over soon, but many American soldiers and airmen stationed in Saudi Arabia for several months say they have already won a decisive victory, over alcohol and drug abuse.

Because this strictly Muslim country bars the consumption of liquor and because illicit drugs are all but impossible to find, soldiers who had a problem with drinking or drugs have been forced to do without. And many have learned that they can.

Specialist Keith Betterton of the army, 26, said he did not believe that he had a drinking problem.

Yet on a typical Friday or Saturday night back home in Oklahoma City, he said, he might consume 20 or 25 beers. At age 16, he was placed on probation for a year and fined $3,000 for driving under the influence of alcohol.

He says that he has learned to go without drinking in Saudi Arabia and that he likes that.

"It's definitely been a good drying-out period," he said. "The only good thing alcohol ever did for me was to make it easier for me to dance in public and to talk to women, and in Saudi Arabia I can't do either of those things anyway."

The U.S. Defense Department requires troops to undergo routine drug tests, a procedure that it says has forced many soldiers in recent years to either confront their problems with illicit drugs or leave the service. Alcohol abuse is still widespread in the military.

Pentagon officials say that because of the Saudi prohibition on alcohol, they have noted far fewer disciplinary problems among American troops than were seen in the early stages of the war in Vietnam, where liquor and illicit drugs were easy to obtain.

In the army, the rate of disciplinary problems among soldiers in Saudi Arabia is less than a third of that for army troops stationed elsewhere in the world.

"Everything I hear is that disciplinary problems — guys going out and fighting or getting into some other sort of trouble — just don't exist in Saudi Arabia," said Major Doug Hart of the Air National Guard, a Defense Department spokesman in Washington.

Colonel Robert P. Belihar of the air force, the military's command surgeon general in the Gulf, said in a statement released on Sunday: "Soldiers appear to be dealing well with being away from alcohol. Any problems relating to withdrawal have been rare and have been dealt with at the unit level."

Asked about reports that some soldiers had been evacuated from Saudi Arabia because they were alcoholics and had

See HABITS, Page 3

In Eastern Germany, New Deals in Shoddy Goods

By John Tagliabue
New York Times Service

DRESDEN, Germany — The Pannonia Express from Sofia, via Budapest, rumbled in pretty much on time, and disgorged a group of men in dark clothes with bulging tote bags.

Minutes later, they haggled in sign language near Dresden's cavernous terminal with a group of Vietnamese over prices for shabby sweaters that spilled from their bags.

The traders, Hungarian gypsies and Vietnamese migrant workers in what used to be communist East Germany, are part of an explosion of smuggling along united Germany's border with the East.

For if Germany is bracing for a predicted wave of refugees from Eastern Europe, pushed to desert their homes by collapsing economies in countries like Romania, Poland, and the Soviet Union, the vanguard consists of a legion of con men and contraband specialists who are taxing Germany's ability to police its newly acquired eastern borders.

"Smuggling is burgeoning," said Harry Baumann, a senior customs officer in Saxony, along the mountainous border with Czechoslovakia. "All highly taxed goods, like liquor, cigarettes, but also textiles, like sweaters."

Throughout eastern Germany, the scenes resemble the one at Dresden's station.

On folding clotheslines, Vietnamese traders display cheap Hungarian sweaters at $10 each, pirated pop music tapes from Poland at $5, contraband Czechoslovak and Polish cigarettes.

Along Prager Strasse, two Poles hawk Becherovka brandy from the Czech spa of Karlovy Vary. "Genuine stuff," one boasts. "Half liter, 10 marks." That is about $7.

Police officials at the Dresden station described how, until late last year, the main hall turned into a huge market every morning at 5:45 when the night train from Budapest arrived. Police and customs officials cracked down on the smugglers in December, driving them underground.

Embittered by the competition, the German cigarette industry, which spent millions to paper eastern Germany with ads after communism fell, protested to the Bonn government. Contraband Czechoslovak cigarettes go for one to two Deutsche marks a pack, compared with about four DM for Western cigarettes.

Mr. Baumann led a visitor through cellar storerooms full of confiscated cigarettes.

Elsewhere, big plastic sacks of sweaters climbed to the ceiling. In the courtyard, two trailer trucks, confiscated last week en route from Hungary with more than 5,000 smuggled sweaters, stood idle.

In the last half year, officials along the 450-kilometer (275-mile) border with Czechoslovakia confiscated 3.8 million cigarettes, 10,600 tapes, and 21,500 sweaters. On the Polish border, 135 kilograms (300 pounds) of caviar and in one raid, 1,300 liters (5,000 gallons) of diesel fuel were seized.

Typically, the smugglers are East Europeans — Bulgarians, Czechoslovaks, Romanians, Poles — who evade customs controls by hiding relatively small amounts of goods in ceiling cavities and bathrooms of trains. The goods are distributed to Vietnamese retailers on arrival in Germany.

For decades, Communist countries like Czechoslovakia and East Germany imported tens of thousands of Vietnamese to ease labor shortages. Though many have returned home, thousands are seeking political asylum as a

See SMUGGLE, Page 2

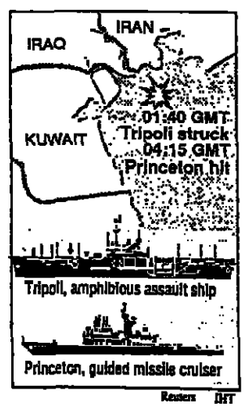
Debriefing: Day 33

Sorties

☐ Weather interfered with operations, but 2,400 allied sorties were flown Monday, for total of 80,000 in 33 days of war. 870 sorties were in Kuwait region; 100 were against the Republican Guard, Iraq's best troops.
☐ There were no new Scud missile attacks, leaving at 67 the number fired at Israel and Saudi Arabia. 130 of the sorties flown by allied forces Monday were to stop the Scud attacks.

Losses

☐ A U.S. helicopter carrier and a guided-missile cruiser struck mines Monday. There were three injuries on one ship and four on the other. Both ships were described as remaining combat operational.
☐ 36 allied soldiers killed in action: 14 Americans and 22 Saudis. There were no new casualties on the ground Monday. 10 of the 14 U.S. combat deaths have been attributed to friendly fire.
☐ Allied missing-in-action total 63: 50 Americans, British and French; 10 Saudi and 3 others.
☐ Allied prisoner-of-war total remains 12: 8 Americans, 2 British, 1 Italian and 1 Kuwaiti.
☐ More than 1,300 Iraqi soldiers have been taken prisoner; more than half of the total comes from defections.
☐ A U.S. F-16 was lost in combat over Iraq, but the pilot was rescued. To date, 40 allied planes lost; 30 in combat, including 21 American, 6 British, 1 Saudi, 1 Kuwaiti, 1 Italian.
☐ Iraq's air-to-air combat loss is 42: 36 planes and 6 helicopters.



Reuters IHT

Iraqi Claims

☐ More than 300 allied planes and missiles downed.
☐ About 1,600 civilians killed and 830 wounded; 90 soldiers killed. Allies refuse to estimate overall Iraqi loses in military personnel.
☐ More than 20 allied prisoners held; no new reports Monday.

Assessment

"All of our hopes at this point are on the conflict in the air and on the ground — push Saddam Hussein out of Kuwait."
— Marlin Fitzwater, White House spokesman.

Visitors Might Be Screened Before Not Entering the Park

By Robert Reinhold
New York Times Service

SPRINGDALE, Utah — A California company is proposing what may be the ultimate wilderness experience for those who think that "roughing it" means looking at mountains and canyons through the windshield of a car.

Tourists come to remote towns like this on the edge of the great American national parks, view a magnificent film about the park on a giant wrap-around movie screen, stay overnight in an adjoining motel and then leave without having to set foot in or damage the park.

Although it is hard to say exactly how many people might do this, the company is planning to build such a project here amid the deep canyons and steep red sandstone cliffs and spires of Zion National Park and at many other parks and monuments around the country.

"It is conceivable that whole busloads can come to Springdale, have the Zion experience and be in Las Vegas that night — it blows my mind," said Louise Excell, a native of this southwest Utah hamlet through which more than 1.5 million visitors pass every year to enter the Zion National Park.

"They won't have to sweat or get their heart rate above armchair level," she added. "There's a market for this. It may be possible again some day to bicycle up Zion Canyon without being run off the road by a tour bus."

Ms. Excell is a leader of a local faction opposing the project, not because of the movie theater concept but rather its proposed location on a meadow right in front of the main entrance to the park.

> **'They won't have to sweat or get their heart rate above armchair level.'**
>
> **Louise Excell, an opponent**

Critics say the planned theater, motel and retail complex would be too imposing and should be placed closer to the center of this tiny town so that campers and visitors inside the park are not confronted directly with commercial activity.

The company mounting the project is World Odyssey of Los Altos, California, co-owned by Kieth Merrill, a filmmaker who won an Academy Award for best documentary feature in 1974 for "The Great American Cowboy," which he produced and directed, and by David Mariani, a real estate developer.

They are adapting a film technology known as Imax, which uses a screen 50 feet high by 70 feet wide (15 by 21 meters) to give viewers the feeling of almost being in the scene. It is familiar to millions who have seen the film "To Fly" at the Smithsonian Institution.

It will be a startling addition to tiny Springdale, which has no parking meters, telephones with four-digit local dialing and not a single movie house in town.

The idea, Mr. Merrill said, is to "extend and expand" the park experience with a technology that can "suspend the audience in place and time and take them back through history."

Although environmentalists do not know whether to applaud or complain about the concept, Mr. Merrill contended that it offered benefits to visitors and to fragile parks.

"About 80 percent of the visitors at national parks have no opportunity to run the rivers or hike the canyons or camp in a wilderness area," he said, adding that many are too old or handicapped.

"And part of our motive is to alleviate pressure on the parks themselves by creating an experience that precludes an undue number of people from trampling all over the wildflowers."

World Odyssey has built similar projects in Tusayan, Arizona, near the rugged and inaccessible Grand Canyon National Park, and near the Alamo and Niagara Falls. The Grand Canyon theater attracts 600,000 visitors a year. The admission charge is $6.

The company has plans for theaters near Yellowstone and Great Smoky Mountains national parks. These projects have stirred no particular disputes.

But the plans here for a 350-seat theater, 80 motel rooms and 275 parking places has been a different story. Nearly everybody in this chronically depressed region, where tourism is the main industry, welcomes the project and the jobs and income it will bring. But not so its location, backing directly on the park's Watchman campground and abutting the entrance station.

"Our concern is the location, the visual impact," said Larry Wiese, assistant superintendent of the park. "The aesthetics at the entrance of the park would be changed dramatically. The size of the project just overwhelms that site."

The issue has forced tiny Springdale, with a population of 300 and complex politics that belies its size, to come to grips with the kind of development it wants.

Townspeople say the backers of the site include the gruff rough-hewn mayor, Robert Ralston, a retired dock worker, who would say only that he was still considering the proposal. It would require approval of the town council, which he controls.

World Odyssey has managed to disarm much of the opposition by agreeing with its critics and redesigning the project so it is less visible from the adjoining highway.

"While the screen is very, very large, we essentially bury the buildings to keep a low profile," Mr. Merrill said. "It's not nearly as obtrusive as environmentalists would like to suggest."

Another opponent conceded: "They did accept what we suggested. We didn't think they would. This puts us in a box."

A Refugee Wins Round In Court in Hong Kong

By Barbara Basler
New York Times Service

HONG KONG — In the first court case to challenge the fairness and accuracy of Hong Kong's screening of Vietnamese refugees, a judge ruled Monday that a Vietnamese man who was denied refugee status must have his case reheard because a glaring and ultimately decisive error was written into his record.

The case of Do Giao, who was once made to gather land mines with his bare hands as punishment for his family's anti-Communist past, was ordered back to the Hong Kong Immigration Department for a new hearing. The decision left both human rights lawyers and the Hong Kong government claiming victory.

Justice Barry Mortimer of the High Court ruled that Mr. Do, 24, was entitled to a new hearing because an immigration officer had written, incorrectly, that Mr. Do once worked in a state-owned factory, a "fact" that seemed to contradict the young man's claim of persecution by the Vietnamese government.

Lawyers said Mr. Do, who was once detained and tortured by Vietnamese officials, lived an underground life, dodging authorities, working only at night because he had no identity papers.

Justice Mortimer said the erroneous fact was included in Mr. Do's record, probably because the immigration officer, who had only halting knowledge of Vietnamese, had misinterpreted what Mr. Do had said.

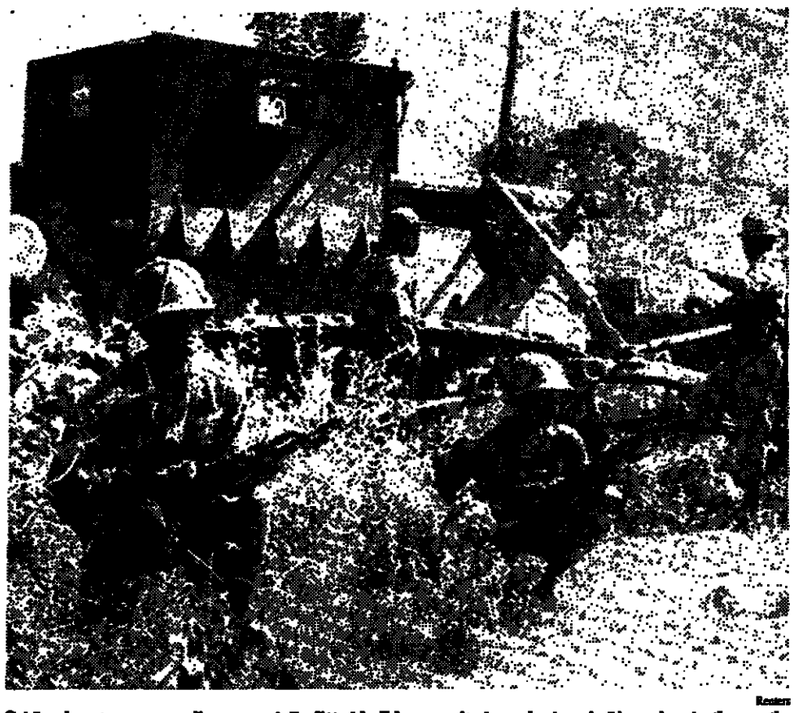
Mr. Do was never allowed to read over the immigration officer's report, or to correct any inaccuracies in it, and the judge recommended that to avoid such problems in the future, reports ought to be read to the Vietnamese and then signed by them.

"The decision was technical and narrow, legally speaking, but politically it will have enormous consequences," said Arthur C. Helton, director of the Refugee Project of the Lawyers Committee for Human Rights, based in the United States.

Speaking from New York, Mr. Helton, who helped organize the case here, said, "This was the very first judicial challenge to the screening process, and a Hong Kong judge found the screening decision flawed. I think that fact will figure prominently in any future discussions among the United States, the United Nations, Hong Kong and Britain over the fairness of the process."

But Clinton Leeks, refugee coordinator for the Hong Kong government, said: "The fact is that following a very, very close scrutiny of the screening process, our procedures have been found to be pretty fair and accurate. The case tried to cover an enormously wide area — it was brought as an attack on a whole range of screening procedures — and in reviewing that wide area the judge has come down to a problem with one specific point."

Hong Kong now has some 45,000 Vietnamese in camps awaiting resettlement as refugees, or, if screened out, eventual return to Vietnam. About 20,000 of those have been screened already.



Reuters

Sri Lankan troops guarding a specially fitted bulldozer as it cleared mines in Vavuniya, in the north.

A Hidden War Toll: 2,000 Tamil Youths

By Steve Coll
Washington Post Service

BATTICALOA, Sri Lanka — Hundreds of ethnic Tamil youths in this isolated district of northeastern Sri Lanka have disappeared in recent months amid a civil war after being taken into custody by government security forces, according to a registry compiled by Christian missionaries and civic leaders.

Relatives of the missing Tamils — exactly 2,009, according to the registry — assert that the youths were taken from refugee camps, movie houses and even hospital beds and then executed by security forces or pro-government "death squads" that roam the region in jeeps and trucks.

Relief workers say they believe that some of the youths may have ended up on the piles of burning bodies periodically seen along roadsides here this winter.

Army and government officials have denied executing any Tamil detainees, but at the same time they are unable to account for the 2,009 missing youths.

They say some may have been killed by the Liberation Tigers of Tamil Eelam, a guerrilla force fighting to create a separate Tamil state in northeastern Sri Lanka.

The rash of disappearances in Batticaloa, a coastal city of 50,000, represents just one aspect of the brutality and terror in Tamil areas of this divided island nation.

Since June, after years of desultory violence and open warfare involving Sri Lanka's ethnic Tamil minority and Sinhalese majority — and radical factions within both — the Sinhalese-dominated government has been trying to crush the Tamil Tigers.

While the offensive has had little apparent success in breaking the guerrillas' power in the region, it has left at least 4,000 dead and up to a million refugees.

The guerrillas, who started the latest round of fighting, have been implicated in machine-gun massacres of unarmed noncombatants and mass executions of policemen captured at remote outposts.

The government has been accused of killing dozens of people by dropping gasoline- and rubber-filled "barrel bombs" on civilian areas. Fabricated from oil drums and detonated with dynamite, the barrel bombs explode with horrific effect, spraying burning rubber that sticks to skin.

Government officials say that the tiny Sri Lankan Air Force is under orders to bomb only guerrilla targets, but that some noncombatant casualties are inevitable.

"No instructions had been given to carry out indiscriminate bombing," said the Sri Lankan defense minister, Ranjan Wijeratne. "We have asked pilots to be careful and go only for identified targets."

"We are at war, remember that," he added. "We are not playing marbles. There may have been one or two accidental cases."

Sri Lankan officials say they are trying to root out and smash the Tamil Tigers, a tightly disciplined guerrilla force that from 1987 to 1989 fought off more than 70,000 Indian Army troops brought in to impose peace on the island.

The thousands of disappearances in Batticaloa and other Tamil regions suggest that in trying to destroy the guerrillas, the government may be following the same strategy it used against the Maoist People's Liberation Front, which bid for power in the south in 1988 and 1989.

By unleashing paramilitary death squads in areas controlled by the front, executing an estimated 20,000 young Sinhalese suspects and burning their bodies by roadsides to frighten sympathizers, the government crushed the front within two years.

"What we face now is the attitude that we can get rid of the Tigers by killing everything that might possibly be a Tiger or making them disappear," said the Reverend Harry Miller, a Jesuit priest from New Orleans, who has worked in Batticaloa since Sri Lanka won independence in 1948.

■ 44 Killed in Rebel Attack

Tamil guerrillas killed 44 soldiers and wounded 8 in the worst single attack on government security forces since the rebels began their fight for a separate state in 1983, military sources said. They said no figures were available on rebel casualties, Reuters reported from Colombo.

China to Court Europe's Fallen Marxists

By Lena H. Sun
Washington Post Service

BEIJING — China, which has watched the collapse of communism in Eastern Europe with some disdain, has decided not to shun former allies who have abandoned Marxism, foreign analysts said.

While still concerned that the movement that swept Eastern Europe in late 1989 could help reinvigorate democratic forces crushed by the army, Beijing has decided to stay close to Eastern Europe — partly to keep those nations from becoming too friendly with its wealthy archrival, Taiwan.

As a result, Foreign Minister Qian Qichen will travel this week to Poland, Hungary and Bulgaria during a European tour that also will include Portugal and Spain. An important purpose of his trip, the first Chinese ministerial-level diplomatic mission to Europe since the June 1989 crackdown, will be to try to offset political and economic gains made by Taipei.

China still maintains state-to-state relations with all of the countries in Eastern Europe. But with the end of Communist rule in most of the countries, the "big official love" is gone, according to one East European diplomat. China estimates that trade between East European countries and China has plummeted by at least 30 percent to 50 percent.

Diplomats said that Chinese leaders, who have pursued economic liberalization, but refused to allow political ones, are probably pleased by reports of East European difficulties. The state-controlled Chinese press is full of reports about unemployment, high crime and inflation there.

While Chinese officials still hope that Romania and Albania will remain allies, it has no such illusions about Poland, Hungary and Czechoslovakia, all of which have criticized China's human-rights record.

Chinese leaders dislike Presidents Vaclav Havel of Czechoslovakia and Lech Walesa of Poland for ideological reasons but want to maintain good state-to-state relations at a time when these countries are turning increasingly to Taiwan for help in economic restructuring, East European diplomats said.

At Hungary's national exposition last fall, Taiwan was an exhibitor. In December, Olga Havel, President Havel's wife, traveled to Taipei. Although she was representing a charity, she was received by President Lee Teng-hui and Prime Minister Hao Pei-tsun. The visit stirred strong protests here.

The Chinese leadership was angered by Mr. Walesa, who decided to accept Taiwan's invitation to visit this year. But on Jan. 17, Mr. Walesa decided against the visit, telling the Chinese ambassador to Poland that Warsaw would continue its "one China" policy. He "expressed his willingness to upgrade relations with China," with particular emphasis on economic ties, Xinhua press agency reported.

Mr. Qian's trip follows recent visits to China by top officials from Albania and Romania. Foreign Minister Reiz Malile's five-day visit in January made him the highest-ranking Albanian to visit China since 1978, when Albania criticized China's opening to the West.

China's most intense courtship, however, has been with Romania, long a close ally. President Ion Iliescu came to Beijing in mid-January, the first such visit by an East European head of state since the 1989 upheavals, and was warmly welcomed by Mr. Li.

Beijing was shocked by the December 1989 overthrow and execution of the Romanian dictator, Nicolae Ceausescu. "You would have thought with the bloody killings and revolution in Romania, that Romania would be in the doghouse" with the Chinese, a Western diplomat said. "But the Romanian government has proven to be a good friend for China. It has not criticized China's human rights."

Unlike Poland, Hungary and Czechoslovakia, Romania is still largely state-controlled, maintains a conservative foreign policy and, therefore, is "considered more reliable by the Chinese," another Western diplomat said.

Moreover, diplomats said, Romania's use of coal-miners to suppress demonstrations last year in Bucharest may have struck a chord with Chinese authorities, who ordered heavily armed troops to crush the spring 1989 democracy movement here, killing hundreds.

Bush Follows Reagan's Lead on Judges

By Ruth Marcus
Washington Post Service

WASHINGTON — President George Bush is cementing Ronald Reagan's conservative transformation of the federal courts in the biggest turnover of federal judges since the New Deal of Franklin D. Roosevelt, according to academic and partisan monitors of the courts.

Two years into his presidency, and without the fierce nomination battles that became almost commonplace during the Reagan administration, Mr. Bush has appointed 70 judges. With vacancies — as well as the creation of 85 judgeships by Congress late last year — he has 134 more slots to fill. Mr. Reagan named 375 judges, about half the federal judiciary.

When the openings are filled, Reagan and Bush judges will account for nearly 70 percent of the federal judiciary — an impact equaled only by Roosevelt, who appointed 75 percent of federal judges. Only three of the 13 federal appeals courts do not yet have a majority of judges nominated by Mr. Reagan and Mr. Bush.

Conservatives and liberals agree that the judges being picked by Mr. Bush are generally in the Reagan mold: conservatives who are committed to a narrow reading of the U.S. Constitution, who are tough on crime and who view the judiciary as a vehicle for resolving discrete disputes, not an engine for social change.

Federal judges have the final word on such constitutional issues as abortion, religious freedom, affirmative action and the rights of criminal defendants.

Because of this sweeping power, selection of conservative judges was a cornerstone of the Reagan administration. During the 1988 campaign, Mr. Bush vowed repeatedly to follow Mr. Reagan and appoint judges who would "interpret the law, not legislate from the bench."

"There is no area in which conservatives are more happy with George Bush than in judicial nominations," said Clint Bolick, director of the conservative Landmark Center for Civil Rights.

On one level, Mr. Bush's performance can be viewed as simply fulfilling a campaign promise. But as Thomas Jipping of the Free Congress Foundation noted, that was not a foregone conclusion.

Mr. Jipping said that conservatives saw many compromises being made in policy areas — "everything from the 'no new taxes' thing on down."

"We were sort of sitting there thinking, 'I wonder if the judicial selection process will be next,'" he said. Instead, he said, "Judicial selection is one of the few areas where conservatives feel that he has still been consistent from the start."

C.K. Rowland, a political science professor at the University of Kansas who has done extensive studies of judicial voting patterns, said it was too soon to measure the performance of Mr. Bush's judges. But he and other scholars agreed that a conservative judiciary is one of Mr. Reagan's most influential legacies.

Nan Aron of the liberal Alliance for Justice said, "Bush is quietly but as relentlessly using the courts to place those who are in sync with his ideology on civil rights and civil liberties issues and I think he's going at it with the same energy that Ronald Reagan did."

The Reagan and Bush judiciaries look alike in a literal sense as well: overwhelmingly white, male and wealthy. Of Mr. Bush's nominees so far, 11.7 percent are female, compared with 8.2 percent of Mr. Reagan's selections and 15.5 percent of President Jimmy Carter's. Five, or 6.5 percent, are minorities, compared with 6 percent of Mr. Reagan's appointments and 21.3 percent of Mr. Carter's.

The continuity between the Reagan and Bush administrations is most apparent — and most critical — at the appeals court level, observers said.

The appeals courts are, in effect, the courts of last resort for all but the relative handful of cases accepted for Supreme Court review. Mr. Bush has named 22 federal appeals court judges and has 22 vacancies to fill. He and Mr. Reagan will have appointed about 120 of the 179 circuit judges.

Turkish Minister to U.S.

Reuters

ISTANBUL — Foreign Minister Kurtcebe Alptemocin will visit the United States Feb. 21 to 23 for talks with Secretary of State James A. Baker 3d, the Foreign Ministry said Monday.

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PORTUGAL

The second installment of the series of special advertising sections on Portugal will appear in the IHT on Feb. 21, not Feb. 19 as initially announced.

SMUGGLE: *East's Cheap Wares*

(Continued from page 1)

means of staying in Europe. A recent raid on a Vietnamese workers' hotel near Dresden uncovered a cache of more than 454,000 smuggled cigarettes.

Far larger amounts of goods are hauled by truck to the border, where they are carried through the mountains on the backs of Vietnamese or gypsies at night, to be picked up by accomplices on the German side.

For the Bonn government, the goal is to have the borders fully controlled by March. To that end, former East German customs officers are being retrained, and Western officials like Mr. Baumann, who is from Stuttgart, are on loan to the new regions of Germany.

Demand for tighter surveillance in the East is growing, fueled by fears of an impending invasion of refugees. Already, small numbers are trickling in.

The Warsaw daily Rzeczpospolita has reported that more than 280 people were seized in January trying to sneak across Poland's border with Germany.

In the first four days of February, the paper said, 32 people were caught. In the Schmilka district of Saxony, on the Czech border, 57 people were detained in January, including 25 Romanians, seeking to reach Germany, Mr. Baumann said.

"The grand migration has not yet begun," he said. "But should it come, we can only hope we'll be ready for it."

WORLD BRIEFS

Troops Attack Soviet Vigilante Base

MOSCOW (Reuters) — Soviet forces backed by three tanks and 10 armored vehicles shot their way into an unofficial Georgian militia base near Tbilisi and captured it early Monday, local journalists and politicians said.

It was the first known instance of Soviet military intervention against the Mkhedrioni, or horsemen, an armed vigilante group formed two years ago in Georgia during a growing wave of nationalist sentiment.

Mkhedrioni is one of a number of unofficial militia groups that have sprung up in the southern Soviet republics in defiance of President Mikhail S. Gorbachev.

North Korea Cancels Seoul Talks

SEOUL (AP) — North Korea canceled high-level talks with the South on Monday, saying Seoul was undermining a dialogue by holding joint military exercises with the United States. The maneuvers, which began on Jan. 25 with about 140,000 troops from both nations, are to run through mid-April.

South Korean leaders immediately urged North Korea to reconsider. The prime-minister-level talks were scheduled Feb. 25-28 in Pyongyang and would have been the fourth round of meetings since September.

North Korea accused Seoul officials of "turning their back on the hard-won dialogue." The North also said the United States was bringing the dialogue "to the brink of rupture" with the annual joint military exercises.

Aquino 'Pleased' With Offer on Bases

MANILA (Reuters) — President Corazon C. Aquino was reported to be pleased with a tentative U.S.-Philippine military base accord but legislators criticized the deal on Monday and said that Mrs. Aquino would have to twist arms to get the Senate to approve it.

Foreign Secretary Raul Manglapus, Manila's chief negotiator, reported to Mr. Aquino on Monday on the result of the fifth round of negotiations held in Manila last week and said later that "she is quite pleased with the situation." The government said last weekend it would agree to allow the United States continued use of the bases until 1998 in return for $5.7 billion in compensation.

A senator belonging to Mrs. Aquino's ruling coalition accused the government of being mercenary for proposing that the United States could use the bases for seven more years. Another senator dismissed the proposed pact as "dead in the water."

Japan Tightens Nuclear Safety Rules

TOKYO (AP) — Japan, reacting to a nuclear accident nine days ago, announced guidelines Monday for shutting down nuclear power plants when sudden increases in radioactivity are recorded.

Plants will have to cease operating whenever there is an abnormal radioactivity increase of 20 percent or more, the Ministry of International Trade and Industry said. Previously, operators had no percentage guideline. The Japanese nuclear power industry came under criticism after the incident Feb. 9 at a plant in Mihama, western Japan. It involved a leakage of radioactive water from a broken tube in one of the plant's steam generators.

After an abnormal increase of about 20 percent in radioactivity was recorded by the plant's sensors, technicians began taking water samples to double-check the readings. Before they had completed their work, however, an emergency core cooling system automatically took over, shutting down the plant. It was the first time in Japan that an accident had activated such a system.

South African Group Spurns Accord

JOHANNESBURG (Reuters) — The Pan Africanist Congress anti-apartheid grouping on Monday rejected a peace accord between Nelson Mandela's African National Congress and the government, saying: "In the absence of the ballot, the bullet cannot be abandoned."

"We remain committed to the intensification of the armed struggle," said the secretary-general of the Pan Africanist Congress, Benny Alexander. "Neither the ANC nor the regime has the right to prescribe the method used by broad liberation movements." He added, "They bind themselves only."

In the accord announced Friday, the ANC had agreed to curb the activities of its armed wing, and the government promised to rein in security forces and accelerate the release of political prisoners.

Judge Elected Cape Verde President

PRAIA, Cape Verde (AP) — A former Supreme Court judge won a landslide victory in an election to become the first freely elected president of this African archipelago nation.

Antonio Mascarenhas Monteiro, 47, ended 15 years of one-party rule with his electoral victory Sunday over President Aristides Maira Pereira, 67, the incumbent, who had ruled the nation since independence from Portugal in 1975.

Provisional results released by the National Electoral Commission after counting returns from over half the 515 precincts showed that Mr. Mascarenhas Monteiro won 75 percent of the vote. The victory illustrated that "the people have bet on change and democracy," said Mr. Mascarenhas Monteiro, a Supreme Court judge from 1980 to 1990. He had been widely favored to win.

For the Record

Representative Les Aspin, 52, the Wisconsin Democrat who is chairman of the House Armed Services Committee, was released from a Denver hospital after several days' recuperation from a previously undiagnosed heart condition. *(AP)*

The death toll in Thailand after the explosion of an overturned truck laden with electric detonators has risen to 171, the police said Monday. Everyone within 100 meters of the blast on Friday was killed, the police added. *(AP)*

The Warsaw Pact's foreign and defense ministers are to meet in Budapest on Feb. 25 to discuss a Soviet proposal to dismantle the alliance's military structures, a Hungarian Foreign Ministry spokesman said Monday. *(Reuters)*

Queen Margrethe II of Denmark and her husband made a forced landing in Virginia aboard a helicopter Monday when it experienced mechanical problems, officials said. No one was injured, and the helicopter was not damaged. It was on a flight from Williamsburg to Charlottesville when it developed problems in its tail section. *(AP)*

TRAVEL UPDATE

Zambia Airways plans to discontinue direct flights to New York and trim other services, mainly because of the Gulf conflict. The state airline said Monday that the weekly service to New York would end Feb. 25. The airline also plans to close its offices in Delhi, New York and Tokyo. In Zimbabwe, British Airways and the German airline Lufthansa have cut two flights a week to and from Europe. *(AP)*

India's domestic airline, India Airlines, will resume its Dhaka flights Saturday after a monthlong suspension because of the war. *(AFP)*

Traffic accidents in South Korea during the four-day Lunar New Year holiday killed 153 people and injured 3,213, National Police Headquarters said Monday. The death toll was 6.3 percent higher than it was over the holiday in 1990, mainly due to bad weather, the police said. *(Reuters)*

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	2	36	0	32	c
Athens	16	61	10	50	c
Barcelona	13	55	6	43	c
Belgrade	3	37	-2	29	sf
Berlin	3	37	-1	30	c
Brussels	2	36	0	32	sf
Budapest	1	34	-1	30	sf
Copenhagen	1	34	-6	21	sf
Costa Del Sol	16	61	11	52	c
Dublin	7	45	2	36	sh
Edinburgh	4	39	2	36	c
Faro	11	52	5	41	c
Florence	10	50	5	41	c
Frankfurt	3	37	-6	21	c
Geneva	4	39	1	34	c
Helsinki	-7	19	-16	3	sn
Las Palmas	25	77	17	63	c
Lisbon	11	52	6	43	sh
London	6	43	1	34	r
Luxembourg	3	37	-5	23	sf
Madrid	7	45	-2	29	sn
Milan	7	45	-2	29	c
Moscow	-5	23	-7	19	sw
Munich	-4	25	-12	10	c
Nice	11	52	8	46	c
Oslo	0	32	-5	23	c
Paris	3	37	-1	30	c
Prague	1	34	-9	16	sf
Reykjavik	4	39	0	32	r
Rome	13	55	10	50	r
Stockholm	-6	21	-9	16	sf
Strasbourg	5	41	-5	23	sf
Venice	6	43	0	32	sf
Vienna	0	32	-7	19	sf
Warsaw	0	32	-2	28	c
Zurich	-1	30	-2	28	c
MIDDLE EAST					
Cairo	21	70	9	48	fr
Istanbul	6	43	1	34	r
Amman	—	—	—	—	na
Riyadh	—	—	—	—	na
Tel Aviv	—	—	—	—	na
OCEANIA					
Auckland	—	—	—	—	na
Sydney	25	77	19	66	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	35	95	23	73	fr
Beijing	3	37	-5	23	sn
Hong Kong	18	64	16	61	sh
Manila	28	82	22	72	sh
New Delhi	28	82	10	50	c
Seoul	-2	28	-9	15	sn
Shanghai	5	41	3	37	sf
Singapore	32	90	23	73	t
Taipei	18	64	13	55	sh
Tokyo	8	46	0	32	c
AFRICA					
Algiers	13	55	6	43	c
Cape Town	23	73	11	52	fr
Casablanca	14	57	8	46	r
Harare	25	77	18	64	sh
Lagos	31	88	23	73	t
Nairobi	27	81	13	55	sh
Tunis	14	61	8	46	c
LATIN AMERICA					
Buenos Aires	28	77	12	53	fr
Lima	26	79	18	64	c
Mexico City	26	79	9	48	c
Rio de Janeiro	27	81	23	73	c
NORTH AMERICA					
Anchorage	-1	30	-6	21	c
Atlanta	17	63	11	52	sh
Boston	5	41	2	36	c
Chicago	5	41	2	36	c
Denver	7	45	-1	30	r
Detroit	2	36	-8	18	sw
Honolulu	26	79	21	70	sh
Houston	24	75	13	55	c
Los Angeles	22	72	9	48	c
Miami	27	81	21	70	sh
Minneapolis	1	34	-6	21	sf
Montreal	-1	30	-14	7	sf
Nassau	27	81	20	68	c
New York	7	45	1	34	r
Phoenix	19	66	5	41	c
San Francisco	17	63	8	46	c
Seattle	10	50	6	43	r
Toronto	1	34	-6	21	sf
Washington	15	59	6	43	sh

c=cloudy; fr=fair; h=hail; o=overcast; pc=partly cloudy; r=rain; sh=showers; sn=snow; st=storm.

TUESDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Cloudy. Temp. 4 — 0 (39 — 32). LONDON: Fair. Temp. 4 — 3 (43 — 37). MADRID: Cloudy. Temp. 9 — 0 (48 — 32). NEW YORK: Cloudy. Temp. 12 — 5 (55 — 41). PARIS: Cloudy. Temp. 6 — 0 (43 — 32). ROME: Cloudy. Temp. 12 — 3 (55 — 46). TEL AVIV: Not available. ZURICH: Cloudy. Temp. 6 — -2 (43 — 27). BANGKOK: Partly cloudy. Temp. 34 — 24 (93 — 75). HONG KONG: Cloudy. Temp. 20 — 15 (64 — 57). MANILA: Fair. Temp. 29 — 20 (84 — 68). SEOUL: Cloudy. Temp. 1 — -6 (30 — 21). SINGAPORE: Showers. Temp. 33 — 24 (91 — 75). TOKYO: Fair. Temp. 10 — 1 (50 — 34).

هكذا من الأصل

WAR IN THE GULF: In Tehran, a 'positive' view of the latest moves toward peace

Iran Says Its Proposals Raise 'Bright Prospect' of Peace

By Alan Cowell
New York Times Service

AMMAN, Jordan — As Iraq pressed diplomacy with the Soviet Union and bellicosity toward the United States, Iran said Monday that Saddam Hussein had responded "positively" to Tehran's proposals for leaving Kuwait and that there was "the bright prospect" of peace.

There was no detailed explanation from Tehran of what inspired the optimism, which found an unusual echo in one of Baghdad's officially controlled newspapers.

"There are high hopes and expectations in Moscow that the Iraqi-Soviet talks will be a decisive turning-point between war and peace," said Ath Thawra, the mouth-piece of the ruling Ba'ath Party. It did not elaborate, but suggested a quickening of peace efforts spurred by fears in Tehran, Baghdad and Moscow that an allied land offensive may be imminent.

Tehran radio quoted President Hashemi Rafsanjani as saying: "Iraq has expressed readiness to withdraw from Kuwait, and concentrated efforts should continue with the cooperation of the other Islamic countries until the forces fighting Iraq also show good will."

Tehran radio, however, quoted Mr. Rafsanjani as telling Prosper Vokouma, the visiting foreign minister of Burkina Faso, that he "expressed satisfaction at the bright prospect visible in respect of a solution to the problem of the Persian Gulf region."

"Iran's initiatives have fortunately produced positive results," the Iranian leader reportedly said.

The broadcast took place several hours after Foreign Minister Tariq Aziz of Iraq and Deputy Prime Minister Saadoun Hammadi met with President Mikhail S. Gorbachev in Moscow.

Both Mr. Aziz and Mr. Hammadi are members of the eight-man Revolutionary Command Council — Iraq's supreme authority headed by President Hussein — an apparent sign of the importance Baghdad attaches to their mission to Moscow. The Iraqi offer of Friday was made in the council's name.

The Soviet Union is the principal outside power and Iran the principal regional power in what Western diplomats depict as a coordinated effort to build a face-saving mechanism to spare Mr. Hussein humiliation and avert a ground war likely to be far costlier in human losses and regional trauma than anything produced in the war's first month.

Mr. Aziz met with Iran's foreign minister in Tehran on Sunday, while, one week earlier, Mr. Hammadi also visited the Iranian capital carrying an answer from Iraq to Iranian peace proposals. The Iraqi foreign minister was reported returning to Baghdad via Iran on Monday night, carrying Soviet peace proposals to be discussed with President Hussein. News reports from Baghdad indicated that the official had embarked on a kind of shuttle diplomacy and would meet President Rafsanjani on his way back to Moscow on Tuesday.

The road route between Iran and Iraq is the shortest and safest of two access routes to Baghdad. The other, toward Jordan, has come under regular allied air attack.

Iraq matched its diplomacy with continued warnings to allied forces in Saudi Arabia that a ground offensive would bring them unexpected defeat.

"Iraq is well aware of its might, its arsenal and its armed forces," Baghdad radio said, quoting from a commentary in the press. It declared that it was prepared for "a ground battle which will guarantee the decisive victory."

The Western allies, it said, were "trembling with fear of the grave consequences because they are aware of what Iraq has prepared for the battle, and what will happen to their invading forces will surpass their expectations."

During the 1980-88 Iran-Iraq war, Iraq's million-strong armed forces became adept at fighting from entrenched defensive positions to repulse wave after wave of Iranian infantry advances. In the fighting, however, Iraq faced no challenge in the air from Iranian forces, whose ground equipment had none of the sophistication of the allied troops massed in Saudi Arabia.

But, despite a month of allied bombardment of Iraq's fortified positions in Kuwait, there are still widely divergent estimates of the extent to which the air strikes have damaged Baghdad's forces, whose equipment is said by Arab diplomats to include artillery capable of firing chemical warheads into any allied advance.

In its latest war communiqué, the 53d of the conflict, Baghdad radio said the allies launched 130 air raids in the 24-hour period to Monday morning, 25 of them against civilian targets.

Four aircraft had been shot down, it said. It also said it launched an artillery attack on allied forces in Saudi Arabia.

Since the war started, the radio — Iraq's principal spokesman — has modified its depiction of the war. Initially, it focused only on what could be presented as victories: the downing of allied aircraft and the capture of allied pilots. The intention was apparently to avoid the impression that Iraq's armed forces were incapable of protecting the nation.

More recently, it has increasingly acknowledged, or claimed, civilian damage and casualties, apparently to seek international sympathy, unsettle its Arab adversaries and cast itself as the victim of aggression.

Confinement Of Reporter Is Defended By Israelis

By Joel Brinkley
New York Times Service

GAZA, Israeli-Occupied Gaza Strip — Israeli military prosecutors asserted Monday that a prominent Gaza Strip journalist who has been held for three weeks without formal charge had violated the law by reporting on the activities of Hamas, an Islamic fundamentalist group operating in Gaza.

The prosecutor, Lieutenant Oded Savorey, said that Taher Shriteh, an Israeli-government accredited journalist who works for several foreign news organizations, including The New York Times, had "given aid to an enemy organization" by reporting details of Hamas leaflets to one of his employers, the Reuters news agency.

Mr. Shriteh, a well-known Gaza Strip journalist, was arrested without formal charges three weeks ago.

In court, Mr. Shriteh and his attorney said he had been the victim of physical abuse in prison. Mr. Shriteh broke into tears as he described his treatment.

"I am a victim, really, of being a journalist," he said. "I did nothing wrong. I was reporting on the leaflets from all the movements. They tortured me. They held me in solitary confinement for 11 days in a cell. They gave me no food for four days and wouldn't let me go to the bathroom."

He said the cell measured 60 inches by 30 inches (1.5 meters by 75 centimeters).

Mr. Shriteh is one among dozens of Palestinian reporters who have been arrested without formal charges by Israeli authorities over the last three years.

He reports on events in Gaza as a contract employee for several large international news organizations, including The New York Times, Reuters, the BBC, CBS News and the Voice of America. All of the news organizations raised repeated questions about his case since his arrest Jan. 28, prompting the authorities to hold a bail hearing Monday — something that observers called an unusual event in Israeli military court.

The request for bail was refused. He was ordered held for another two weeks.

The three-hour hearing was conducted in Hebrew, which Mr. Shriteh, like nearly all other Palestinian defendants, does not understand.

At the conclusion of the hearing the prosecutor explained that he wanted Mr. Shriteh to be held in prison without charge "because the main interest is continuing the investigation rather than the freedom of the individual."

"I know he faces very difficult conditions in prison," the lieutenant added.

But he said that maybe by holding Mr. Shriteh longer, "he will tell us more things."

Mr. Shriteh found himself in trouble with the authorities once before, a year ago, when security officials confiscated his address book and began calling his confidential news sources to ask them what kind of information they had given him.

Passing *intifada* leaflets to Reuters, The Times and others so these news agencies can prepare news stories about them "is giving aid to an enemy organization," Lieutenant Savorey said.

"There's no claim this is secret," he said, "but it is aid."

Philippe Wojazer/Reuters

Egyptian soldiers conferring while brewing tea beneath a canopy attached to an armored personnel carrier in northern Saudi Arabia.

Most Egyptians Seem Firmly Anti-Iraq

Washington Post Service

CAIRO — When it finally happened last week, the long-awaited anti-war demonstration at Cairo University turned out to be a 15-minute affair with about 30 well-groomed students chanting, "We will not fight, we will not die," as they marched through a sea of unperturbed classmates.

Despite the first faint signs of public discontent, Egypt appears to remain firmly in the allied coalition against Iraq.

There is some anguish and a growing sense of unease over the allied bombing campaign against Iraq. But there is little of the public turmoil that has plagued many other Arab countries since war broke out.

Egyptians appear far more concerned with Egypt — its struggling economy, its place in the Arab world — than with the plight of either Iraq or Kuwait.

One thing that might cause a dramatic shift, many analysts believe, would be a bloody land battle in which some soldiers from Egypt's 35,000-man contingent in the allied coalition came home in body bags.

"The intelligentsia is worried — some are very unhappy to see the old Western colonial powers destroy an Arab state, even one led by a man like Saddam Hussein," said a newspaper columnist who is critical of the war. "But in the Egyptian street, there is nothing. Very few people are concerned for Iraq."

Many Egyptians blame the Iraqi president for the war. Some hold grudges against Iraq because they or relatives felt cheated out of paychecks or savings earned working in Iraq or Kuwait before the August invasion. And while some approve of missile attacks on Israel and admire Iraq's capacity so far to withstand allied attack, few seem inclined to regard Saddam Hussein as a champion.

The Egyptian political opposition is itself deeply divided over which is the greater of perceived evils: Iraqi aggression against a brother Arab state, or Western imperialism. Divided, too, is the country's powerful Islamic movement.

All of which has left President Hosni Mubarak's government with a relatively free hand, although one it has played with Mr. Mubarak's customary caution.

The Egyptian leader waited two weeks after the war began to make his first public statement on the fighting.

He and aides have taken pains to insist publicly that allied war aims are confined to the liberation of Kuwait, that Egyptian troops are deployed under Arab League auspices and that Egypt has no desire to overthrow Mr. Hussein — even though many officials say they would be delighted to see the Iraqi Army destroyed.

But the government is keeping a close eye on anti-war activists or pro-Iraq groups.

According to the Egyptian Organization for Human Rights, more than a dozen doctors, students, journalists and politicians have been rounded up and held without charge since war broke out Jan. 17.

Among the detainees are three of the organization's members, including the deputy editor of Ash Shaab, a fiery opposition weekly that has been trying, without much visible success, to incite anti-U.S. feeling here.

They join an estimated 1,500 people rounded up after the assassination in October of Rifaat Mahgoub, speaker of the People's Assembly, and at least 17 foreigners accused of plotting terrorist attacks in support of Iraq.

"A governor who says he is supported by his people must not be frightened by them," said a leader of the Muslim Brotherhood, the main Islamic opposition group, which itself is divided over the conflict.

Wary of public reaction, state-controlled newspapers played down news of last week's civilian deaths in Baghdad and emphasized U.S. claims that the building hit also served as an Iraqi command center.

— GLENN FRANKEL

Washington Won't Ease Up

Agence France-Presse

KENNEBUNKPORT, Maine — The Bush administration said Monday that a Soviet peace proposal would not slow down the Gulf war, declaring the best hopes for driving Iraq out of Kuwait were "in the conflict in the air and on the ground."

Amid increasing talk of imminent ground war, the White House press secretary, Marlin Fitzwater, said, "We are on course. We have heard nothing to change our course."

President George Bush, ending a four-day break, said he wanted to learn more about the offer before commenting.

"I have nothing to say about the Soviet matter," he said. "I'm not going to discuss that at all, so put your notebooks away."

Mr. Fitzwater would not say whether Mr. Bush had decided on the timing of advancing the war from air strikes to ground conflict. "It happens when it happens," he said, adding that no one should assume a ground war would be held off while Moscow's peace initiative was pending.

Asked about the possibility of Washington's pledging not to attack Iraqi troops if they were seen to be withdrawing, General H. Norman Schwarzkopf, overall commander of U.S. forces in the Gulf, said that was a "logical assumption."

"We can't expect them to withdraw if we are pounding them the entire time they are withdrawing," he said.

Details of their plan were not released, but the Soviets said it did not deviate from demands for an unconditional Iraqi withdrawal from Kuwait.

Mr. Fitzwater said the administration was confident that Moscow would stick with the allied coalition. "They were very strong in support of the UN resolutions and they've been very forthcoming and straight with us," he said.

"Basically, we haven't heard anything that's changed the course of events at this point," Mr. Fitzwater said.

"All of our hopes at this point are in the conflict in the air and on the ground — push Saddam Hussein out of Kuwait."

"From our standpoint, unconditional withdrawal is the name of the game. The Soviets certainly are free to talk with them. They're a good emissary. If they can get Saddam Hussein to unconditionally pull out of Kuwait, so much the better."

MOSCOW: *Aziz Takes Gorbachev Plan to Baghdad*

(Continued from page 1)

tenko reported that Mr. Aziz insisted that these points were not "conditions" for withdrawal, but rather elements of a "program."

Mr. Ignatenko did not elaborate what distinction Mr. Aziz sought to draw between "conditions" and a "program," but the Iraqi minister's purpose was evidently to find a formula that would meet the United Nations' call for an unconditional withdrawal while giving some assurances to Iraq.

For the moment, allied military spokesmen rejected any pause in the relentless bombardment they have inflicted on Iraq for the past 33 days. The allies have declared that they are now poised to launch the long-awaited ground assault, a prospect that Moscow views with open alarm.

The French daily Le Monde quoted unidentified sources as saying that the land war is scheduled to start within 24 to 36 hours. The paper said Mr. Gorbachev had earlier asked Mr. Bush for a 10-day delay while Moscow pursued its mediation effort.

Moscow's move posed an unmistakable challenge to Washington, which probably hopes to sustain the war at least until Mr. Hussein is effectively neutralized. Success for Moscow's maneuver would also give the Soviets a stronger voice in any postwar settlement and would pressure Washington to agree to a broad Middle East conference of the sort Israel has strongly opposed.

Mr. Ignatenko said Moscow intended to inform the United States and other participants in the anti-Iraq coalition of Mr. Gorbachev's proposals.

The latest political play in Moscow heightened the suspense generated by Moscow's 11th-hour peace bid. Mr. Gorbachev initiated the effort when he dispatched an aide, Yevgeni M. Primakov, with a personal appeal to Mr. Hussein.

Soon after Mr. Primakov's return, Iraq declared its conditional readiness to withdraw. At the same time, the Kremlin received envoys from France, Kuwait, Iran and the European Community, and consulted by telephone with Washington, Paris and Cairo. Mr. Gorbachev interrupted his talks Monday with Mr. Aziz to speak by telephone with Chancellor Helmut Kohl of Germany.

Radio reports from Iran said that the Iranian president, Hashemi Rafsanjani, thought there was a "bright prospect" for ending the war.

Mr. Gorbachev's motives in launching the new initiative are thought to be several. The Soviets have voiced concern over the prospect of a major land war near the southern Soviet border.

A legislator close to Mr. Gorbachev, Boris Oleinik, told the Supreme Soviet on Monday that "the bombing of Baghdad means fighting 160 kilometers from our border, and this cannot but cause our concern."

Mr. Oleinik, who is deputy chairman of the Soviet of Nationalities, one of two chambers of the Supreme Soviet, asserted that the destruction of economic facilities, military censorship in the military zone and high civilian casualties all overstepped the UN Security Council's mandate.

"We gave our consent to the liberation of Kuwait, not to the bombing of Baghdad," he said.

U.S. Troops: Color Lines Are Fading

New York Times Service

IN SAUDI ARABIA — U.S. troops say they think, and hope, that the war against Iraq has changed the way hundreds of thousands of black and white servicemen regard one another.

"You know the saying, 'There are no atheists in a foxhole,'" Marine Staff Sergeant Bruce Shaw said. "If the ground war starts, there will be no blacks or whites out there, just Marines."

Black soldiers and white soldiers often formed close bonds in the battlefields of the Vietnam War. But often the friendships fell apart when the troops returned home.

Few soldiers deny that there is lingering racism in the military.

But many hope things will be different when the troops head home this time, if only because so many blacks and other officers from minority groups have risen to top military positions since the Vietnam era — most notably General Colin L. Powell, chairman of the Joint Chiefs of Staff — and seem to be inspiring the loyalty of a generation of white soldiers.

Frank Sinkler, a Marine first sergeant, said that General Powell was, for both black and white servicemen, "the American dream come true."

"He's telling the black community anything is possible," he said. "He is a self-made man who is setting new trends and goals for everybody."

Sergeant Sinkler said that "blacks and whites will walk out of Saudi Arabia real tight."

"There may be distractions at home," he said, "but I have made friendships here so solid I could bank them at my local branch."

The Analysts' View: Day 33

Four strategists pick the major development in the last 24 hours of the war.

Robert Hunter | François Heisbourg | Ze'ev Schiff | Abdul-Karim Abou-Nasr

ROBERT E. HUNTER
Vice president of the Center for Strategic and International Studies in Washington.

Unless Saddam Hussein promptly curtails the conditions he has imposed on Iraqi withdrawal from Kuwait, he will pass the point of no return. He has little or nothing more to gain politically, even with his constituency in the Arab and Islamic worlds. But the ground battle, once begun, will have no natural stopping point short of the wholesale destruction of Iraqi forces. This is clearly now the American objective, and it will be pursued unless Hussein makes a dramatic change in his negotiating stance.

FRANÇOIS HEISBOURG
Director of the International Institute for Strategic Studies in London.

The Soviet Union has managed to appear as a credible facilitator from both the coalition's and Iraq's perspectives. It remains to be seen whether Baghdad has dropped its conditions or "desires" to a degree which would exclude any semblance of linkage. At this stage in the war, the coalition has little to lose by maintaining military pressure — including moves for offensive ground operations — since such pressure is what led the Iraqis to talk about a withdrawal in the first place, reducing the "19th province of Iraq" to the rank of a bargaining chip.

ZE'EV SCHIFF
Military editor of the Tel Aviv daily Ha'aretz.

Those who advocate an air war to the end argue that Iraq's willingness to withdraw from Kuwait is proof that the ground assault should be postponed. For perhaps Saddam Hussein will surrender, and the war will end with a minimum of losses. The opposite approach warns against his sudden consent to withdraw unconditionally from Kuwait. For then the war will end without having achieved two of its important, albeit undeclared, aims: Saddam Hussein's removal from power and the destruction of his war machine. Following this approach, the ground war should not be put off for long and perhaps should even be moved forward.

ABDUL-KARIM ABOU-NASR
Editor and political commentator with leading Arab publications since 1965; now working with a Kuwaiti daily, Al Qabas.

The Soviet peace plan offers to save Iraq's regime and army if Saddam Hussein agrees to a quick, total and unconditional withdrawal from Kuwait. President Mikhail Gorbachev will present his plan as being in conformity with the Security Council resolutions because Moscow contends that the international coalition's UN mandate is limited to one goal: the liberation of Kuwait. So, if the Soviet plan is accepted in Baghdad, Mr. Gorbachev will then call on the Security Council to take fresh charge of the whole Gulf operation — beginning with supervision of an Iraqi withdrawal on the basis of arrangements designed to make it a "nonhumiliating" retreat.

Terror Campaign Curbed, U.S. Says

By Ronald J. Ostrow and Robin Wright
Los Angeles Times Service

WASHINGTON — Unprecedented international cooperation and the expulsion of more than 100 Iraqi diplomats around the world have prevented Saddam Hussein from delivering on his threat to wage a campaign of terror against America and its allies, U.S. officials believe.

The expulsion of the diplomats and other Iraqi terrorist agents "clearly thwarted his operational capabilities," a U.S. official said.

The official, who did not want to be identified, said that no one country could claim credit for the apparently successful counterterrorism effort. "We worked together on identifying the bad guys through intelligence and diplomatic channels," he said.

In addition, terrorist experts said that lack of a favorable milieu has helped inhibit terrorism in the United States. They said relatively well-assimilated Middle Eastern ethnic groups are much less likely than Arab or Palestinian groups in Europe to give aid or protection to would-be terrorists.

Even so, counterterrorism officials are worried that widespread wrath over civilian casualties caused by last week's allied bombing of a bunker in Baghdad could provoke incidents of terrorism by individual zealots.

"You don't need a secret cable from Baghdad" ordering individual terrorists to strike, an official said, noting that "the media serve as the conduit."

The disruption of Mr. Hussein's communications network by allied air strikes on Baghdad had been cited as a principal reason for the Iraqi leader's apparent inability to carry out his terrorist threats.

Although about 115 terrorist incidents have been reported worldwide since the U.S.-led coalition launched Operation Desert Storm a month ago, most have appeared isolated and relatively unsophisticated in nature, officials said.

"What we haven't seen is dedicated, highly trained, cellular terrorism in all the incidents that occurred so far," said William M. Baker, the assistant FBI director whose responsibilities include overseeing the bureau's counterterrorist efforts.

None of the incidents reported has been inside the United States. Counterterrorism experts attribute this to the long lead time available to the Federal Bureau of investigation and other security agencies to prepare for domestic repercussions from the Gulf war.

The weeks of preparation enabled the FBI to conduct surveillance — electronic and physical — of individuals in the United States who appeared to be allied with terrorist organizations and supportive of Mr. Hussein, sources said.

Something Else To Raze in Gulf

New York Times Service

IN SAUDI ARABIA — Another sign of a possible ground war:

Male journalists near the front lines have been advised in recent days to submit to short, military-style haircuts; known as "high-and-tights."

Long hair and sideburns, they have been told, could prevent a gas mask from sealing properly.

HABITS: *Sober Victory for Some GIs in Saudi Arabia*

(Continued from page 1)

been unable to deal with the withdrawal symptoms, a spokesman for Colonel Belihar said such evacuations, if they had occurred, were "very, very rare" and would be difficult to confirm because they might not be listed in medical records as related to liquor or drugs.

A Pentagon spokeswoman in Washington, Susan Hansen, said that her office was unaware of significant problems involving withdrawal from dependency on alcohol or drugs.

She said that such cases would be handled by military hospitals in the Gulf. "I haven't seen anything that's come my way to indicate that this is a major problem," Mrs. Hansen said.

Liquor is available in Saudi Arabia; it can be purchased on the black market, at great risk.

The penalties for a Saudi caught consuming alcohol can include imprisonment and a harsh fine. For an American soldier, the penalty could be demotion.

There have been reports that some alcohol and marijuana have been smuggled into Saudi Arabia aboard military transport planes and that some soldiers have tried to set up stills to make liquor.

Eight American soldiers serving with an army transportation unit in Saudi Arabia were hospitalized in December after drinking a poisonous homemade brew.

Yet many soldiers who have been living at remote desert camps for several months insist they have not seen alcohol or illicit drugs since they arrived.

"There's nothing — no beer, nothing," said Specialist Kirk Swartz, 22, of Omaha, Nebraska, a military policeman.

He said he had not had to arrest one soldier on an alcohol-related charge. "I see guys letting off steam in other ways," he said. "People are playing a lot of volleyball and football. I don't see any problems with booze."

Private Barry Mitchell of Burlington, Vermont, said he had not heard of a single fight between soldiers since his army unit arrived in Saudi Arabia from a U.S. base near Stuttgart.

"Back in Germany, a lot of people get off work and go drink, and, on weekends, they go crazy," he said. "Alcohol can change your personality real quick, and there were a lot of fights in the barracks. You don't see that here."

First Lieutenant Anthony Gortemiller, 27, of Russellville, Arkansas, said, "People are learning to deal with their problems here, and a lot of soldiers are seeing the best part of themselves."

India Continues to Refuel U.S. Planes Carrying Nonlethal Supplies to Gulf

Compiled by Our Staff From Dispatches

NEW DELHI — Prime Minister Chandra Shekhar said Monday that India had not stopped refueling U.S. military transport planes bound for and returning from the Gulf, the United News of India agency reported.

Mr. Shekhar was quoted Sunday as saying that U.S. planes would no longer be allowed to refuel in India, but on Monday he said that "refueling has not been stopped as such," and would be curtailed when the people of India wanted it done, the agency reported.

A U.S. Galaxy C-5 transport landed for refueling at Santa Cruz Airport in Bombay on Monday.

U.S. planes, which officials said carried nonlethal supplies, began refueling in Bombay, Madras and Agra on Jan. 9.

That generated widespread protest, and on Saturday the Congress (I) Party threatened to withdraw support from Mr. Shekhar's minority government if refueling were not halted. *(Reuters, AFP)*

Discussing nuts and bolts with a screwdriver is a refreshing change.

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WAR IN THE GULF: As U.S. warships move into the northern Gulf, the danger from floating mines increases

PLAN: *Iraq's Dwindling Options*

(Continued from page 1)

withdrawn and Kuwait were liberated it would be a diplomatic challenge for Washington to maintain international support for continuing a war to obtain compliance with the resolution demanding reparations.

A more likely result, a European diplomat said, would be that "we'd have to find new ways of keeping the regime quarantined until it changes, with the additional complications of worrying about the roles being played by the Soviet Union and Iran and others."

A French official said that it seemed unlikely that the Soviet proposals contained much substance beyond "warning Saddam that he will be quickly and utterly destroyed if he does not surrender Kuwait immediately."

These officials agreed that, in the light of recent Soviet exchanges with their governments, it seemed unlikely that Moscow was promising to satisfy any political conditions of the sort attached by Iraq to its offer of withdrawal last week.

Predicting that President Mikhail S. Gorbachev will be cautious about jeopardizing his U.S. ties, a European official said that it was too late in the war for the Soviet Union to believe that it could "radically change the political constellation" of governments that are hostile to Iraq.

Hard-liners in Moscow have been increasingly vocal in criticizing Mr. Gorbachev and former Foreign Minister Eduard A. Shevardnadze for allegedly allowing the United States to crush a former Soviet ally in the Gulf and letting U.S. power supplant Soviet influence there.

If Moscow managed to emerge as a mediator, that would indicate that Mr. Hussein believed that his regime could survive thanks to Soviet protection, officials said.

That prospect was so unrealistic, a French official said, that it seemed unlikely that Mr. Hussein would withdraw unconditionally and simply trust Soviet support and political opportunities to keep him in power.

World Headlines: Day 33

Allied Troops Ready for Ground Offensive
Frankfurter Allgemeine, Frankfurt

Districts in Shaanxi Province Have Taken an Active Part in Promoting Agriculture
People's Daily, Beijing

Last-Minute Diplomacy in the Gulf
Mainichi Shimbun, Tokyo

Fidel Concludes the Party's Provincial Assembly in Santiago de Cuba
Granma, Havana

The Problem of Property Is a Problem of Power
Pravda, Moscow

Granma 人民日報 ПРАВДА Frankfurter Allgemeine

Joe Mahoney/The Associated Press

Two seamen maneuvering a minesweeping "sled" Monday near the amphibious assault ship Tripoli, which was holed by a mine earlier in the day. The sled is towed by a helicopter to search for mines.

WAR: *2 U.S. Warships Hit Mines in Gulf, 7 Injured*

(Continued from page 1)

"fully mission-capable," General Neal said.

The Princeton, which provides long-range anti-aircraft defenses for a carrier group, was still able to operate its radar and missile systems. But officials said the crew shut down two of the ship's four gas turbine engines pending an assessment of damage to one of the turbine screws.

The mine blasts were the first since an international armada arrived in the Gulf to enforce an international embargo against Iraq. Minesweeping further south in the Gulf appeared to have reduced the danger there, but now with a land war apparently imminent, warships are venturing to the northern Gulf, where mines have not been cleared.

The mines are the chief threat to shipping following the virtual elimination of the Iraqi Navy and the grounding in Iran of most the Mirage jets capable of delivering Exocet anti-ship missiles. Officials said scores of mines are left over from the war between Iraq and Iran. They said that earlier in the conflict, when they still had some ships in the Gulf, the Iraqis had seeded the water with unsophisticated but deadly floating mines of a turn-of-the-century design acquired from the Soviet Union.

More than 80 mines have been found and destroyed in the past six months. Ahead of the Tripoli, smoke flares marked the position of three more mines, while U.S. and British helicopter crews reported sighting six more.

As Moscow championed a new peace initiative, the huge military buildup toward a possible ground war accelerated its pace. General Neal said allied troops were continuously on the move along the front to confuse Iraqi intelligence in preparation for an offensive.

"We have got a real aggressive, dynamic training program going on," he said. "We keep moving them laterally and north and south along the border."

But the commander of the Republican Guard, reputedly Iraq's best fighting unit, was quoted on Baghdad radio as saying massive allied bombardments against his men have caused only minor losses.

General Neal said allied forces along the front hit Iraqi positions with artillery fire and missile-armed Apache and Cobra helicopters. In one engagement, he said, U.S. Marines and Saudi troops hit six Iraqi armored personnel carriers, destroying two.

He said no allied soldiers were killed or injured, and in line with U.S. policy declined to estimate the number of Iraqi casualties, if any.

General Neal said U.S. forces took 54 Iraqi prisoners Sunday, 30 of whom gave themselves up voluntarily. It was the biggest one-day total since the fighting around the Saudi town of Khafji.

He said allied planes flew 2,400 sorties, bringing the total of individual missions to about 80,000 since the war started Jan. 17. About 870 sorties were directed against targets in the Kuwait war zone, including 100 attacks on the Republican Guard, General Neal added. He said a U.S. F-16 fighter was shot down and the pilot, whom he described as "one happy camper," was picked up by a helicopter rescue squad about 40 miles behind the front line.

The loss brought to 30 the number of allied planes reported shot down by surface-to-air missiles or anti-aircraft fire, 21 U.S. and nine from other coalition members.

According to Iranian reports, allied planes showered leaflets on the southern Iraqi towns of Basra, Faw, Zubair, Tannuma and Abul Khasib before air attacks Monday. Following an attack on Baghdad last week in which several hundred civilians died in a bunker being used as an air-raid shelter, U.S. officials said they would carefully examine all possible ways of keeping civilian casualties to a minimum.

The official Iranian press agency, IRNA, said leaflets dropped on the Iraqi cities bore pictures of a missile and a warning in Arabic for residents to leave the area.

LONDON: *Explosion at Victoria*

(Continued from page 1)

just pulled his vehicle up to the front of the station, said: "People were running out of the station covered with blood with their clothes torn. I saw a woman, her face covered with blood, run out of the station towards a policeman. Then her legs buckled and she fell to the ground."

Inside the station later, there were pools of dried blood amid shards of glass and twisted metal on the floor, and a trail of blood that led from the smashed ticket machine to the main door about 50 yards away. Bicycles and rucksacks abandoned during the rush were scattered around the floor.

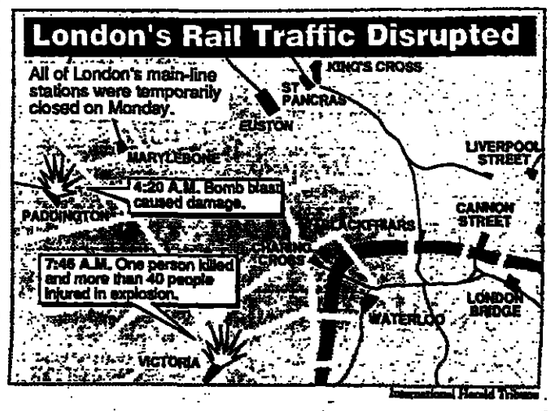
Within minutes of the blast, the police sealed off all of the city's 11 stations, setting off a scramble for alternative ways into town for about a half million rail commuters. Some of the stations were reopened later in the day.

The Paddington blast occurred at around 4:20 A.M. in the nearly deserted station. After that, the police said they received a number of phony warning calls. They said that the 7 A.M. call was too vague to warrant closing the stations but that they were in the process of searching all of the stations at the time of the explosion.

"The perpetrators knew very well that there would be insufficient time for the emergency services to locate and deal with the device," said George Churchill-Coleman, commander of Scotland Yard's anti-terrorist squad. "This was a totally indiscriminate and vicious act on the traveling public carried out at a time when the perpetrators knew perfectly well Victoria Station would be crowded with commuters."

The dead man was not identified but was reported to be the father of a 16-month-old child. Two of those injured were said to be in critical condition.

The IRA, which is waging a violent campaign to oust British rule from Northern Ireland, planted bombs last year at the London Stock Exchange and the Carlton Club, patronized by leaders of the Conservative Party.



Gulf Notes

■ **The Red Cross has complained** that Iraq has prevented its representatives from meeting allied prisoners of war and from determining how desperate conditions had become in battered Iraqi cities. Cornelio Sommaruga, president of the International Committee of the Red Cross, said his group had nine delegates in Baghdad but none in Kuwait. *(NYT)*

■ **More than 400 Vietnamese** who fled to Iran to escape the war in Iraq are to be flown home Monday under a French-financed initiative, diplomatic sources said here. The 430 refugees will leave here for Ho Chi Minh City aboard a chartered Iran Air plane, they added. Two other aircraft will fly home another 860 Vietnamese refugees in the next few days. *(AFP)*

■ **The U.S. military has received** about 150 offers from residents of Germany, France, Britain and Ireland to fight in the Gulf, Stars and Stripes reported Monday. "Most of them call because they have American friends," Sergeant Bill Martinsen, chief of army recruiting in Frankfurt told the paper. *(AP)*

■ **"Iraqi fried rice"** shaped like a downed Scud missile, has become a big hit with Bangkok customers, especially American tourists. The Saigon Bakery, which specializes in Vietnamese cuisine, has been offering the 60-baht ($2.40) dish since the war started last month. Bad taste? Certainly not, said restaurateur Vu Viet Quoc: "It's great — try some." *(AP)*

■ **Indonesian volunteers** will join Iraqi troops if Israel retaliates against Baghdad, Indonesia's leading Muslim group warned Monday. Indonesia, the world's most populous Islamic nation, has remained neutral. "If Israel sends any troops to any portion of Iraq, there will be no way for us to prevent the formation of volunteer groups to go to Iraq, regardless of what the government may say," Nadlatul Ulama's president, Abdurahman Wahid, said. *(AFP)*

■ **Jordan is sending** a newly purchased tanker to collect 100,000 tons of crude oil from Yemen, enough to keep it supplied for a month, a senior official said Monday. *(AFP)*

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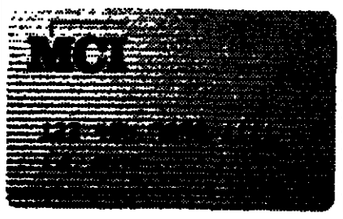

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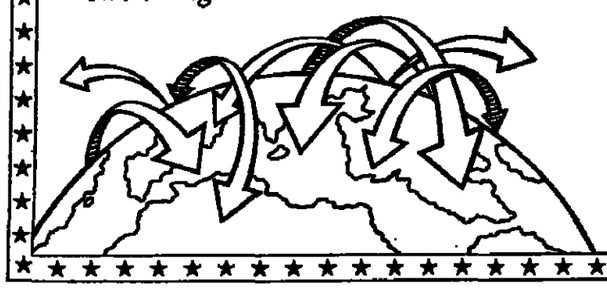

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WAR IN THE GULF: After dark, some successes for — and doubts about — the U.S. fighting machine

New Night-Fighting Technique Proves Lethal for Iraqi Tanks

By Eric Schmitt
New York Times Service

RIYADH — American planes are using a new night-fighting tactic to destroy as many as 200 top-line Iraqi battle tanks a day, senior U.S. military officials here and in Washington say.

Using a technique that combines laser-guided bombs and enhanced night-vision sensors in a new way, the fighter-bombers have in the last week increased as much as fourfold the number of Iraqi T-62 and T-72 tanks destroyed or disabled each day, a senior officer said.

By improvising a more effective method of targeting and blasting Iraq's best tanks, the U.S.-led coalition has vastly improved its ability to dismantle one of Baghdad's last potent battlefield threats, the military officials said.

The new strategy has an important bearing on any decision to commit allied forces to a ground war. Some air-power advocates in the military contend that as long as the tactic continues to work, there is little compelling reason to rush into a costly land war.

The more efficient bombing campaign would speed the effort to reduce Iraq's armored forces by 50 to 60 percent, a level that many military leaders view as an important threshold to make ground combat less costly.

"There's no question we'll be at that rate by March 1 unless the weather turns really bad," a ranking commander in the coalition forces said here.

The new tactic has been directed at Iraq's Republican Guard, and particularly at the four armored and mechanized divisions that make up its backbone.

The Pentagon has said that about 1,400 of Iraq's 4,200 tanks have been destroyed. About one-third of those have reportedly been the top-line, Soviet-made T-62s and T-72s.

The Iraqis are believed to have about 1,000 T-72s and 1,500 T-62s, according to the International Institute for Strategic Studies, but some U.S. military officials said those numbers may be high.

Some intelligence analysts in Washington have disagreed with the U.S. Central Command's estimates of weapons destroyed.

Estimates by the CIA and the Defense Intelligence Agency are said to be much more conservative than the numbers the military in Washington and Riyadh have announced.

The intelligence agencies rely solely on satellite photography and pictures from spy planes, while the Central Command also uses pilot reports and other evidence gathered in Saudi Arabia.

While American officers described the new targeting technique in general terms, they said that giving a detailed description would help President Saddam Hussein's forces devise an effective counter-strategy.

Nor would they discuss the specific aircraft flown on the nightly raids. Six planes use laser-guided bombs and fly night missions: the F-117A, F-111, F-15E, F-16, A-6 and FA-18.

The officials said the missions involved a combination of some of those aircraft, at least one of which is always the F-111.

Allied commanders say the pilots using the new technique damage or destroy 70 to 80 percent of their targets. Officials believe that most of the tanks destroyed since the new strategy was put into place are the top-line Iraqi tanks.

The targeting tactic is vulnerable to cloud cover, as is the entire allied air campaign. On clear nights, more than 200 tanks have been destroyed or damaged, while on overcast nights that figure drops to 100 or fewer, a senior officer said.

In the first three weeks of the war, about 650 tanks were destroyed or damaged, compared to 750 tanks in just over a week since the tactic was introduced, officials said.

Air commanders said they switched tactics after achieving only limited success in day strikes using several aircraft, including the A-10, AV-8B and B-52s.

A main reason was that the Iraqis had buried about 1,800 of their best tanks under desert sands, making visual targeting difficult, a senior U.S. commander said.

The Associated Press

Troopers preparing to leap out of a Blackhawk helicopter with their M-16 rifles as the 101st Airborne Division ran a training exercise in the Saudi desert.

Friendly Fire Deaths Put Apache in Doubt

Agence France-Presse

IN SAUDI ARABIA — Some U.S. ground troops had criticized Apache helicopters for being unable to find their targets at night even before missiles from one of the aircraft mistakenly killed two American soldiers.

At an army unit that was using Apaches to track Iraqi armor, some drivers of Bradley fighting vehicles complained recently that the helicopters failed to find targets that ground troops could see.

Before dawn Sunday, AH-64 Apaches mistakenly fired Hellfire missiles at an M-2 Bradley and an armored personnel carrier of the 1st Infantry Division. Both vehicles were destroyed and two Bradley crewmen were killed. Six other soldiers were injured but not seriously, a division spokesman said.

Bradley drivers and others recently complained of the Apache helicopter's inability to find targets at night.

"It is true, they have very little faith in the Apache," said Sergeant Terry Hawkin of San Antonio, Texas, after listening to soldiers criticize the helicopter over a radio hook-up before Sunday's incident.

One soldier said over the radio: "If those Apaches can't find the target, let me know and I'll shoot it."

Private Hugh Bohannon said: "This is the most frustrating thing. We call them in all night long, and they don't get anything. This is the fourth night in a row we have seen vehicles."

Late last month, Lieutenant Colonel Ralph Hayles, commander of the Apache battalion that became involved in the inadvertent deaths, said in an interview, "We have two methods of fire control. If we fly beyond where friendly forces are, the vehicles are in enemy territory, a free fire zone and we see vehicles and kill them."

"But in close contact fighting with tanks we must have a positive identification to fire," he said.

Asked if helicopter crews could get confused in battle, he said: "The Apache always knows where it is, and where the edge of the American forces are. Those are precise measurements. I have a high confidence we won't shoot coalition forces."

On 'Love Boat,' the Troops Can Drink and Dance

By Charles P. Wallace
Los Angeles Times Service

ABOARD THE CUNARD PRINCESS — Under a white and red banner, which read "Welcome Aboard Desert Shield Troops," a female soldier jogged past in form-fitting Lycra shorts and a T-shirt emblazoned with a distinctly unmilitary message — "Dare to Bare."

"This is our 'Love Boat,' our recreation ship," said a Marine guard toting an M-16 rifle, about the only person in sight wearing a uniform.

The ship in question is no ordinary naval vessel, of course, but the Cunard Princess, a British luxury liner that has been chartered by the Pentagon as a rest and recreation spot for U.S. troops involved in Operation Desert Storm.

Men and women serving in Saudi Arabia are occasionally given three days off for a break aboard the Princess, the only place in the conservative Gulf where R&R tours are now scheduled.

A Western official in the region said that the idea behind the Princess was to "reduce the security threat and save costs."

For security reasons, the soldiers and sailors are confined aboard the Princess when it is in port. Apart from that, and warnings to avoid outrageous or violent behavior, they are free to do what they like. There are no uniforms, no salutes and no military discipline on board the ship.

"We're all civilians right now — at least we're pretending to be," said Mark Cardosi, 20, a soldier from Farmington, New Hampshire. "There is absolutely no military atmosphere, though you know everybody else is a soldier."

For many, the main attraction of their three-day visit is the bar. Unlike Saudi Arabia, where many soldiers have been stationed since Iraq invaded Kuwait in August, alcohol flows freely aboard the Princess.

"It's wonderful — that first beer in five months was a cold one," said Jeffrey Freddie, 24, of Houston. "I'm afraid I had a hard time waking up this morning after what I drank last night."

As he noted, for many of the young enlisted men aboard, the visit to the Princess is the first chance in their lives when they can drink legally, because the drinking age back home is 21. No age limit is enforced aboard the ship.

'We're all civilians right now — at least we're pretending to be. There is absolutely no military atmosphere, though you know everybody else is a soldier.'

After five months in the desert, another major attraction is merely the freedom to socialize freely with the opposite sex, even if the encounters are, by necessity, brief.

"I haven't had to buy a drink yet," beamed an enlisted woman, Gina, 24, referring to the attentions of the men aboard. She estimated that about 5 percent of the passengers were women.

One soldier said that a good percentage of the troops aboard had made a prearranged rendezvous with women soldiers that they had met on duty back in Saudi Arabia.

While allocation of cabin space on board is segregated by sexes, the barriers are not enforced.

A soldier named Jaye mentioned that he had not been to sleep the night before. Asked what he had been doing, he replied: "That's confidential."

He said that after five months of hard duty in Saudi Arabia, he was "cooling off."

Since military discipline is not enforced, touchy subjects like fraternization between enlisted ranks and officers were not the kind of problem that they might be on a military facility.

"Nobody asks who is an officer and who is an enlisted man," Jeffrey said. "They don't want to know."

The Princess has two floor shows, one from Las Vegas and one involving bands from Britain and Argentina. There is also a discotheque and a video room where movies are shown, as well as a swimming pool and racquetball courts.

Apart from the entertainment, many of the soldiers said that they were pleased just to be able to sleep in proper beds and to eat food that was not prepared by the military.

Many of them referred to the frenetic pace aboard the ship because the soldiers have only a short break after five months of service "in country."

"We try to pack it in for three days, do everything in just three days," Mark said. "I only slept for three hours last night. I don't want to waste my time sleeping. I can do that when I get back."

Not everyone agrees. A female soldier said that she had turned in at 11 P.M. on her first night aboard — to read a good book.

Dutch Show New Toughness on Defense

By Joseph Fitchett
International Herald Tribune

THE HAGUE — The Dutch, who in the 1980s were pacesetters for Europe's peace movement, have surprised many people by emerging as a tough-minded ally of the United States in the Gulf war.

As part of this turnaround, the Dutch government opposes moves by Germany and France to develop a military role for the European Community and instead proposes that the European allies should make a renewed commitment to the North Atlantic Treaty Organization.

The Gulf crisis exposed the lack of credibility in the defense effort that Europe can muster alone, according to Foreign Minister Hans van den Broek, and any move to assign security policy-making to the EC would endanger Europe by alienating the United States.

Europeans "have to avoid expecting a military commitment from the United States without a political say for Washington" about developments in Europe, Mr. van den Broek warned in an interview. "We have to offer stronger political cooperation, not a threat of rivalry, if we want to keep the U.S. guarantees that Europe needs."

His proposals run counter to a plan, sponsored by Germany and France, to include military cooperation in the package of measures to enhance political unity in the EC by the end of next year.

Although isolated among EC governments in this security debate, the Dutch view carries special authority in the eyes of many U.S. and European officials who are impressed by the quality of Dutch military contributions and political staunchness in the Gulf crisis — in contrast to a ragged overall European performance.

Since the invasion of Kuwait, Mr. van den Broek has outspokenly urged the EC to back U.S. leadership in dealing with Iraq. He has often bettered Foreign Secretary Douglas Hurd of Britain in finding trenchant formulas to dismiss separate peace overtures by European governments seeking to appease domestic opinion — at the risk of appearing ready to appease Baghdad.

While other European governments waited weeks for a common military response, the Netherlands sent warships to the Gulf, including an air-defense frigate currently under U.S. orders in waters closest to Iraq.

The Netherlands has sent Patriot anti-missile missiles and Lance missiles to Turkey and offered F-16 fighters to reinforce the NATO mobile force there.

More Patriot missiles, manned by Dutch crews, are going to Israel.

These moves — strikingly at odds with the Netherlands' reputation for abhorring military force — enjoy public support that is among the strongest in Europe.

"If there were a mission where Dutch ground forces meet a need, the government would have no problem sending them now," according to another official in the Conservative-led coalition government.

Their partners in governments are the Socialists, who have shed the goal of reducing the U.S. military role in Europe that they used to share with their fellow Socialists in Bonn.

The Dutch peace movement, which ranked alongside West Germany's in its national strength in the 1980s, has suffered a political meltdown during the Gulf war.

Protest demonstrations in the Netherlands a few years ago mobilized crowds up to a half million marchers; the current conflict has sparked not one.

When one of the Greens' three members of parliament spoke up against the war recently, he was accused of appeasement and was even compared to Dutchmen who sympathized with Nazi Germany.

The Conservatives' parliamentary leader later apologized for the accusation.

The new distance from Germany is a striking feature of Dutch political reactions. The two countries were closely aligned in the 1980s, when both had strong Socialist-led, church-backed peace movements that opposed the deployment of new U.S. nuclear missiles in terms that often verged on anti-Americanism.

A transformation in Dutch attitudes on foreign and defense policy, Mr. van den Broek said, could be traced to the U.S.-led disarmament initiatives after the Soviet Union, starting in the late 1980s, abandoned attempts to intimidate Western Europe with military power.

The protest movement at least partly reflected a distrust of Western governments that justified arms buildups as a way of forcing the Soviet Union to accept disarmament agreements, Mr. van den Broek said. That changed with the U.S.-Soviet and then pan-European arms cuts that started under the Reagan administration, he said.

Deep-rooted support for Israel — a constant in postwar Dutch foreign policy — has been a factor in the Gulf crisis, and Dutch attitudes are also colored by concern about the long-term consequences for other European countries of recent EC initiatives by Germany and France.

Amid the demonstrations in Germany against the U.S.-led assault on Iraq, Bonn has gradually expanded its financial support, but balked at furnishing any military support even to Turkey, a NATO country entitled to collective defense against the risk of attack from any nonalliance country, including Iraq.

Both Turkey and Norway, the other so-called "flank country" of NATO, are essential parts of any credible European defense, and yet neither belongs to the EC — another reason why the EC alone cannot offer a Europe-wide security guarantee, Mr. van den Broek said.

He proposes the creation of a "European ready deployment force," perhaps based on the Western European Union, if that body were expanded to include Turkey and Norway.

France, he suggested, might find in this force a leadership role that would compensate the French government for accepting a full continuing role for NATO, including its integrated military command, as the only body that could defend Europe against future crises with the Soviet Union and help stabilize Eastern Europe.

Saudis Warn Journalists on Traveling to Front

Compiled by Our Staff From Dispatches

DHAHRAN, Saudi Arabia — Saudi authorities issued new rules on Monday threatening possible deportation of journalists approaching the Saudi border with Kuwait or Iraq without authorization.

The six-point "media guidelines" were drawn up because "some members of the media are traveling to restricted and military areas without escorts," the Saudi Ministry of Information said.

"This could present a danger to themselves and to the lives of troops by attracting attention to their locations," the statement said. "Failure to abide by these regulations will result in a withdrawal of press accreditation and possible deportation."

The rules essentially restrict access to the potential battlefront to members of media "pools," small groups of journalists who accompany various units under military escort.

Earlier Monday, a group of 300 journalists, irritated at being shut out of frontline coverage of the war because of a virtual monopoly of the pools by American and British journalists, threatened to go to the battlefield on their own.

The journalists said that if they were not given more access to the fighting by Wednesday, they might move to the front as a group, challenging Saudi and U.S. military authorities who largely govern coverage of the war.

"We are claiming our right to free information," said Perry Kretz, a correspondent for a German magazine, Stern. "This is an international war, a United Nations war, yet two thirds of the world is cut out."

Adelino Gomes of the Portuguese newspaper O Público said, "We have given the authorities until Wednesday, otherwise we may all get in our cars and go."

The journalists want 72 places on escorted trips to the front. About 100 positions have been created with American forces for American news organizations, which have sent 700 people to Dhahran, the Pentagon's media center.

The Saudi government has made three combat reporting spaces available for the other foreign reporters.

Hundreds of other reporters must cover the fighting from the "pooled" reports sent back from the front by their colleagues.

"We are reporting a secondhand version of the war," Mr. Kretz protested.

He said that the U.S. Defense Department, which drew up the reporting rules, had "created a situation where the war can be covered only from an American perspective."

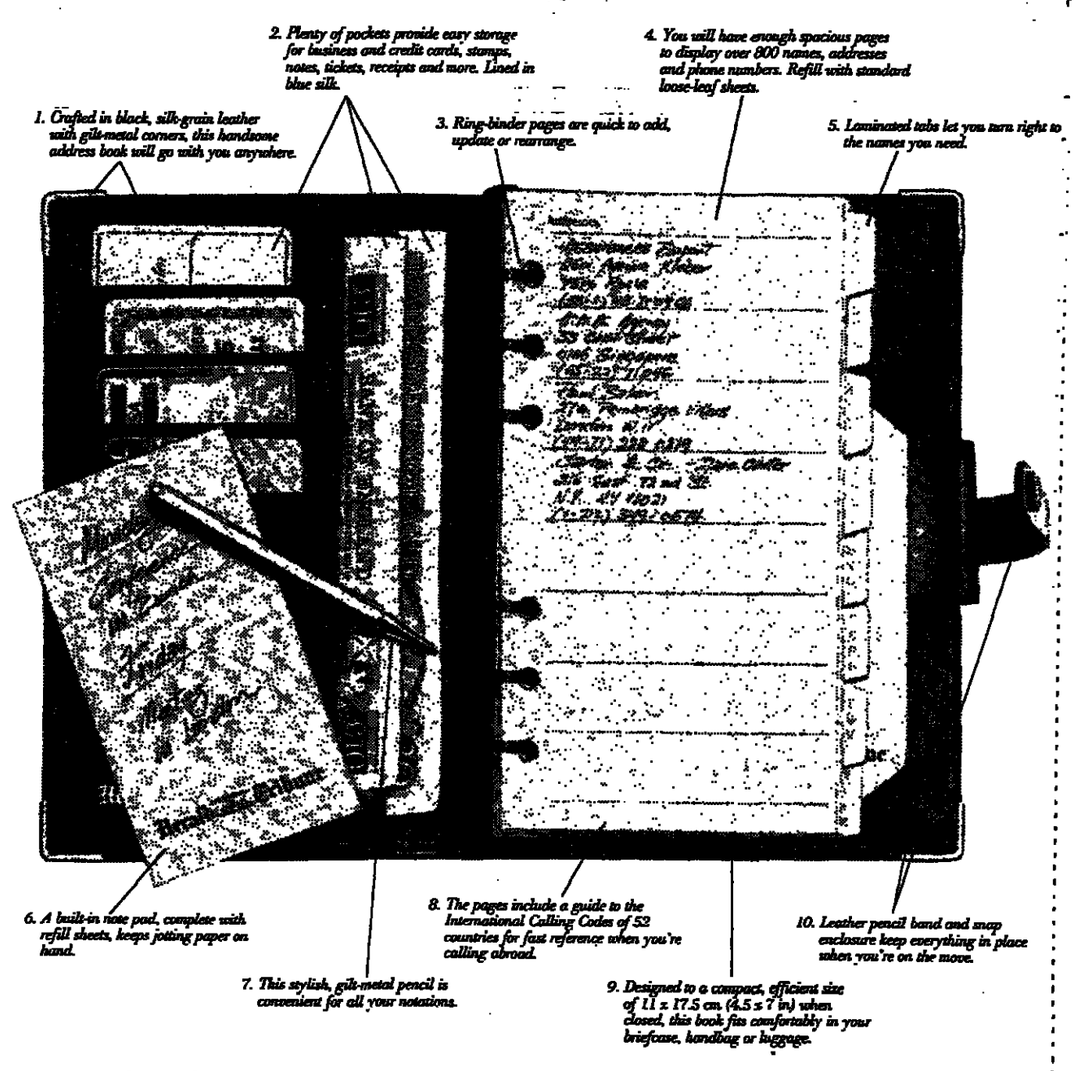
"We understand censorship in war," he said. "We understand the American need to take care of their own people, but we are being completely ignored and that we cannot have."

Discontent with military restrictions has spread to the French press corps covering the small French expeditionary force.

French television crews in Saudi Arabia on Monday ended a one-day boycott of French Army operations that was held to protest the military's decision to replace a pool cameraman and soundman with an army crew.

After receiving assurances from military officials that they would be included in a pool allowed to cover a possible ground offensive, the television crews decided to end their boycott.

There are currently more than 1,300 accredited journalists in Saudi Arabia, according to U.S. military officials. *(AFP, Reuters)*



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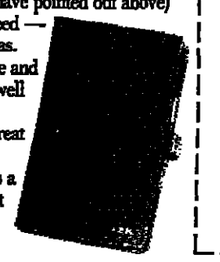

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With Israel, Afterward

Before the Gulf war, American efforts to move an Israeli peace proposal into realistic Israeli-Palestinian talks had foundered. The resulting American-Israeli tensions were overtaken by the war, which turned U.S.-Israeli relations to high strategy. To keep the anti-Iraq coalition intact, Washington urged Jerusalem not to react to Iraq's unprovoked Scud missile attacks, providing it with Patriot anti-missile batteries — and with well-earned praise. Now both countries are looking to a postwar phase of the Arab-Israeli dispute. Having confronted Iraq's occupation-by-aggression, Americans accept a need to address Arab demands for attention to Israel's very different occupation-in-self-defense. Israelis are stiffening against any American call for steps not of their own design.

This is the context of recent exchanges. The U.S. State Department broached the idea of demilitarizing the Golan Heights, which Israel captured from Syria in 1967; Prime Minister Yitzhak Shamir asserted that Israel would accept no changes in the Golan. The Israeli army detained on undocumented spying allegations the Oxford-trained philosopher Sari Nusseibeh, a Palestinian proponent of dialogue with Israel; the State Department objected. Mr. Shamir followed by provocatively inviting into his cabinet Rehavam Zeevi, leader of a party that advocates "transferring" West Bankers to Jordan. An unseemly spat has now developed over American insistence that Israel not use the large extra immigration subsidies it is requesting to settle immigrants in the West Bank; Israel said it was getting the "runaround," a suggestion that the White House found "outrageous."

Some perspective on the relationship is needed. Israel is America's one democratic ally in the Middle East. It is, although not at war, under Iraqi assault — six dead, hundreds injured from the missiles. Many Palestinians in the West Bank, not to speak of Israeli Arabs, cheer on Saddam Hussein and exult in his attacks on Israel. The PLO has just opened up a new "front" against the Israeli presence in southern Lebanon.

In fact, the Bush administration has necessarily sidelined its earlier attempt to move Israelis toward dialogue with the PLO. It is giving a respectful new hearing to the old Israeli idea that peace with existing Arab states must be part and parcel of any accommodation with Palestinians. (Hence Washington's interest in using its Gulf coalition partnership with Damascus to explore the possibilities of an Israeli-Syrian postwar warming.) But Palestinians are still there, and they must be dealt with somehow. "Transfer" is unthinkable — a Saddam-type option. Indefinite confrontation between the intifada and the occupation is hopeless. A careful experiment in Israeli-Palestinian coexistence is essential, and the United States has strong geopolitical and moral reason to take part actively in it.

— THE WASHINGTON POST.

Capable Presidents

With just a trace of condescension, the British diplomat James Bryce, in his celebrated study "The American Commonwealth," entitled a chapter "Why Great Men Are Not Chosen Presidents." America's lack of a governing class and a hunger for popularity in the country helped to explain, according to Mr. Bryce, why mediocre figures wound up in the White House.

That may have been true a century ago, when Mr. Bryce wrote, and had it remained the rule, Monday's holiday, honoring all American presidents, would have been vacuous. But it assuredly has not been the case since 1900. Of this century's 14 presidents preceding George Bush, eight showed, by one measure or another, exceptional abilities — the two Roosevelts, Woodrow Wilson, Harry Truman and Dwight Eisenhower, John Kennedy and Lyndon Johnson, and Ronald Reagan.

To make his point, Mr. Bryce invidiously compared American presidents with British prime ministers. But in our own era, only five prime ministers can be plausibly ranked with the American eight — Lloyd George, Winston Churchill, Clement Attlee, Harold Macmillan and Margaret Thatcher.

This is not said to inflate the national ego. As Mr. Bryce justly remarked, the old formulas of eligibility limited choice of presidential candidates to white male Protestants of Anglo-Saxon origin from populous swing states, thus considerably shrinking the pool. Most of these disabling restrictions have vanished. A Catholic Democrat of Irish origin (Al Smith) was nominated in 1928, and another (John Kennedy) was elected in 1960. Nominees have included a Democratic son of a Greek immigrant, a Republican grandson of a Jewish peddler and, for the vice presidency in 1984, a member of Congress from New York who was female, Catholic and of Italian origin.

But even in earlier times, what was truly impressive about American presidents was their ability to transcend their narrow class backgrounds. With the exception of Abraham Lincoln, the greatest of these magistrates have all been born to privilege — and yet have been liberating figures, giants of freedom, heroes of democracy.

Americans have been fortunate in their pride of presidents, none of them born to power like kings, none monsters of cruelty. Schoolchildren can, without wincing, look back on the moderation of George Washington, the eloquence of Thomas Jefferson, the reforming vision of Franklin Roosevelt, the universal humanity of Lincoln. Mr. Bryce was wrong; there is nothing ordinary about the Americans whose names deservedly glow on Presidents' Day.

— THE NEW YORK TIMES.

Reservists Penalized

Operation Desert Sword has exposed an embarrassingly outdated support system for families of American reservists and National Guard members suddenly called to active duty. There is hardship enough in sending them off to war, perhaps never to return. To add financial distress is inexcusable.

Federal laws do provide substantial protection. (Some state laws provide more.) They guarantee re-employment when the war is over. Pay for enlisted men in a combat zone is tax-exempt, and partially so for officers. Military health benefits cover all dependents. Interest rates on mortgages and credit-card and personal loans are capped at 6 percent for the duration of service.

But this safety net has many holes. Reservists' families do not get dental care under the military health plan. Students called to active duty are dunned for repayment of student loans if they do not notify the lender in time. Discharged servicemen are eligible for 13 weeks of unemployment insurance benefits; civilians get 26 weeks. And service families are protected against eviction only if their rent is less than $150 a month. Congress is about to raise it to $1,200, but its failure to act sooner shows gross neglect.

Representative G. V. Montgomery of Mississippi, chairman of the Veterans Affairs Committee, has taken the lead in rectification. His bill would, among other things, upgrade unemployment benefits, defer repayment of student loans when students leave for military duty, and generally improve veterans' benefits.

One worthy provision would revise military life insurance, linking benefits to age instead of rank. But, like the unemployment insurance proposal, this one is headed for the budget buzz saw. The budget law puts no ceiling on Gulf war spending, but any new legislation that applies to all servicemen — not just to those in Operation Desert Sword — may be counted in the Pentagon's regular budget, and the cost would have to be offset by other cuts. Hopefully, such strictures will not block humane reform.

Representative Bernard Sanders, the Vermont independent, raises the most difficult question of all: How do families cope when their income is suddenly cut to military pay? He wants the government to make up the difference, up to $40,000.

That may seem generous, but high earners, with bigger homes and bills, often have bigger money problems when they are called up. The Sanders plan for reservists sounds fair, and would cost only $11.4 million a month, but it has one glaring flaw. It would shortchange full-timers on regular military pay, and there is no equitable way to even out the difference.

Large companies commonly make up their employees' wage and salary losses, and some provide family counseling, too. Smaller firms often cannot afford to do anything. Senator Edward Kennedy proposes $50 million for counseling and child care. Meanwhile, private and nonprofit organizations like the Red Cross are offering assistance. In New York City, Consumer Advocates, a fuel cooperative, has arranged with local oil companies to supply heating oil free or at a discount to more than 100 families.

Even so, the families of some reservists are forced onto welfare — a scandalous humiliation for the wives and children of men risking their lives in service. The reserves and the National Guard are essential to the Gulf war, and their importance will grow in the post-Cold War years. Their personal concerns deserve better than they have received so far.

— THE NEW YORK TIMES.

Other Comment

What Is There to Hide?

The U.S. military is trampling on the American people's right to know. After World War II, most Germans protested that they did not know what went on in the heinous Nazi concentration camps. It is just possible that they did not. They had complacently permitted Hitler to do his dirty business in the dark. Certainly our leaders are not to be compared with Hitler, but today, because of onerous, unnecessary rules, Americans are not being permitted to see and hear the full story of what their military forces are doing in an action that will reverberate long into the nation's future. An American citizen is entitled to ask, "What are they trying to hide?" The answer might be casualties from shelling, collapsing morale, disaffection, insurrection, incompetent officers, poorly trained troops, malfunctioning equipment, widespread illness — who knows?

— Walter Cronkite in Newsweek.

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Editor for Asia: Michael Richardson, 5 Canterbury Rd, Singapore 0511. Tel.472-7768. Tlx: RS56928
Mng. Dir. Asia, Rolf D. Krenspuhl, 50 Gloucester Rd., Hong Kong. Tel. 8610516. Telex: 61170
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OPINION

A Weakened Saddam Will Still Need to Be Neutralized

By Jim Hoagland

WASHINGTON — Despite efforts to persuade them otherwise, Iraqis know that losing is not winning. Losing in war is pain, death and devastation. Baghdad radio admitted as much on Friday by initiating an intricate charade of surrendering Kuwait to save Iraq.

The battlefield and diplomatic implications of Friday's heavily conditioned appeal for a cease-fire are predictably murky. Armchair ambassadors and generals find gold or dross in the deliberately ambiguous communiqué in equal measure. They analyze the dew on an early spring blossom. The broadcast resonates in human, not analytical, terms.

More important than the communiqué were the celebrations that it triggered in Baghdad's shattered streets. More important than the unsatisfactory terms laid out for an Iraqi withdrawal from Kuwait was the human desperation and suffering behind the Radio baghdad broadcast. Hold in your memory those smiling Iraqi faces glimpsed on television as the news spread that they might have to give up Kuwait.

The contrast between the message of loss and the feeling of gain tell the important story of this war and the terrible costs that a dictator has inflicted on his own people.

Those faces tell us that the Battle of Kuwait has been settled by American air power. Those faces tell us that Saddam Hussein is vulnerable and perhaps already marginalized. Those tentative but genuine smiles show most of all that Iraqis and other Arabs are not some strange illogical subspecies of humanity who adore and venerate "leaders" who drag them into disaster. They feel, and reason, too.

That is, those brief street scenes on Friday undermine key assumptions pressed on the American public by Arabists, the regional experts who warned that mending disaster would come from American military strikes against an Arab nation. Saddam would win by losing: He would emulate Gamal Abdel Nasser and become a hero to the people of Baghdad and the entire Arab world. Better to not give him the chance by using force against him.

Baghdad radio provides a poignant if inadvertent rebuttal to this patronizing denigration of Arabs as people who do not draw logical conclusions in the face of impending disaster.

Heard abroad, the broadcast was an opening bid in negotiations for a cease-fire. At home, it was a signal that Saddam has written off Kuwait and the occupation army there. Why else the elaborate, self-pitying recitation by the Voice of Saddam of the bridges, highways, dams, government centers and a host of other destroyed installations in "Iraq, the struggling, the brave, the forbearing, whose population does not exceed 18 million"?

This is not to say that there is no political cost for America in leading the war effort, or that the killing is over on the Kuwaiti battlefield. Neither proposition is true.

But the political costs for America turn out to be far more manageable than the Saddam-as-Nasser argument suggests. Actually aided by American bombing, Saddam's Ba'athist lieutenants may be finally moving to constrain his folly. Iraqi dissidents abroad who closely monitor developments in Baghdad believe that the bombing has shattered both the communications network and the mobility of the Directorate of General Intelligence, Saddam's greatly feared secret police, which he organized to stifle dissent and as a counterweight to the army.

For the first time, Saddam's overthrow is within reach. President George Bush signaled this much on Friday. The president's message to Baghdad was artfully modulated. Only Saddam's ouster can stay, even for a moment, the ground offensive that America is about to launch into the Iraqi desert.

That is not expanding the coalition's war aim. That is stating a necessary precondition for avoiding the Battle of Iraq.

If Saddam has given up on Kuwait, then he may also hold back his Republican Guard units in Iraqi territory when the war is engaged on the ground. They will become not a reserve force for Kuwait but a blocking force against a march on Baghdad. He would also continue to hold back on poison gas attacks and on terrorist outrages in America. Saddam knows that such acts would make his head a sustainable war aim.

He labors to let the occupation troops kill and be killed while he exploits a distinction between military action to liberate Kuwait (the Battle of Kuwait) and military action to bring him down (the Battle of Iraq). Dropping the reference to "the 19th province" and acknowledging UN Resolution 660 on begin to establish that distinction, which allied strategy has deliberately blurred.

The probe for cease-fire terms by the Revolutionary Command Council — which scarcely mentioned Saddam's name — complicates President Bush's task in this climactic phase of Operation Desert Storm. Does Mr. Bush launch a ground invasion that includes going to Baghdad if Saddam is still standing when Kuwait falls? Or does Mr. Bush decide to ride out of Dodge City at that point, as his present inclination appears to be?

Saddam does not want to be Nasser, who was in fact a broken, ineffectual figure on the Arab scene after his 1967 defeat. He wants to continue to be Saddam at home, since he cannot be Saddam abroad. That is an unacceptable outcome. The battle for Iraq must leave him without control of the bloated army, weapons of mass destruction and terror apparatus he has used on his neighbors and on Iraqis.

The Washington Post.

If Iraqi Withdrawal Is Near, Bush Should Settle for His Victory

By Winston Lord

NEW YORK — The announcement last week of Iraq's willingness to withdraw from Kuwait, coupled with conditions yet to be sorted out, was a classic case of good news, bad news. The good news is that Saddam Hussein is clearly hurting.

For the first time he has specifically cited a United Nations resolution and concretely agreed to vacate Kuwait. His earlier formulations were adamant that Kuwait was his 19th province and he would never give it up.

After months of aborting all efforts to implant even the principle of withdrawal, he is pregnant for the first time. He has also granted Americans the favor of relegating the thorny issue of civilian bombing casualties to the inside pages.

This reversal can be explained only by a calculation that his military machine and his national infrastructure are crumbling — and, along with them, the morale of his troops. And the stamina of his people. Thus, he has vividly confirmed the accuracy of last week's Pentagon estimates of his military assets.

The bad news is that the Iraqi statement as it stands is a ploy, if not a hoax. It is designed not for peace but for venting the pressures on him and dividing the international coalition. He has piled on more conditions for withdrawal than ever. He has not formally renounced his annexation. He has avoided the other stipulations of UN resolutions. He is working in concert with a Soviet Union that is fast sliding back to its Cold War opportunism, and with an Iran that provides parking space for his planes and considers Washington a mightier Satan than Baghdad.

So far, the rest of the coalition seems to be holding fast. But pressures on the Muslim partners will mount. The Chinese will be unhelpful. The French will be mischievous.

The Bush administration's immediate response has been right on target. It moved swiftly and energetically to punch holes in the statement while continuing to pummel Iraqi forces. If, as is likely, Saddam's move is strictly another cynical maneuver, the coalition has avoided the slippery slope of a premature cease-fire.

No doubt Washington is busy firming up America's friends and serving notice to the vexatious intermediaries (while correctly, if insincerely, "welcoming" their efforts). This is also the best approach to determine if the dictator is looking for a way out.

Now is the time for third parties to strip away all conditionality from the Iraqi withdrawal, obtain agreement on the remaining parts of the UN resolutions and consign other issues to a delinked aftermath.

While this process unfolds, the coalition can — and should — hold off any ground offensive while unflinchingly prosecuting its air attacks. And only if the diplomatic minuet succeeds should the coalition consider a cease-fire for the sole purpose of returning Iraqi forces home.

The tough issue for the Bush administration is what to do if, in fact, these remote contingencies prove real. Does it settle for implementation of the United Nations resolutions while leaving Saddam in power with much of his arsenal intact? The correct answer is a reluctant yes.

"Reluctant" because the Middle East, and the world at large, would be much more secure without a heavily armed Saddam. "Yes" because there really is no other choice. Besides, the outcome would constitute a significant victory.

Neither the American people nor the international alliance would tolerate a rejection of America's own and the United Nations' stated aims. To topple Saddam Husein and completely eradicate his military power would require a ground war with all its certain horrors and horrendous uncertainties.

Such a campaign would be supportable if he maintained his obstinate stance. But if he is prepared to meet the world community's objectives, the only possible advocates of continued fighting (in addition to the Israelis) would be the Kuwaitis, Saudis and British — and even those governments would find it extremely difficult to stay the course. Americans would not be willing to purchase a larger victory, however desirable, at the cost of much heavier casualties and international opposition.

Furthermore, the result, while leaving significant residual dangers, would be a singular triumph.

Since Jan. 16 the United States has been pursuing one official objective, implementation of the UN resolutions, and two unofficial ones, the destruction of Iraq's offensive capabilities and the removal of Saddam. It would have achieved the first goal with minimal casualties. Any follow-on actions, such as diplomacy on Arab-Israeli questions, would be consistent with prewar U.S. policies and in the interests of lasting security.

As for the two unstated goals, the coalition has not done badly. The beauty of the aerial campaign is that it weakens Saddam and his strengths under the legitimate cover of evicting his forces from Kuwait. U.S. officials state that the coalition has severely crippled his weapons of mass destruction and eliminated much of his conventional armament.

In the war's wake, the United States should work with others to embargo arms shipments to Iraq and all Middle Eastern trade, including components, in missiles and nuclear, chemical and biological weapons. And it should seek Israeli agreement to negotiate toward a nuclear-free zone in the region.

As for Saddam, it is not self-evident that he would survive a unilateral withdrawal. How popular or secure can a leader be who brings down upon his country international ostracism, embargoes, devastation of his nation and military defeat on top of giving up all gains from a previous bloody eight-year war? Will the ordinary Iraqi citizen surveying the desolate landscape, or the average Iraqi general surveying the wreckage of weapons, find solace in some vague hopes for Palestinian justice?

Whatever the official rhetoric of interested nations, their leaders will know who won and who lost and will draw the appropriate conclusions.

If, nevertheless, Saddam does weather yet another appalling miscalculation and defeat, he will surely be a much smaller threat than he was on Aug. 1. The United States can work with others to contain him and construct a more stable region.

To be sure, as alliances shift and opportunism breaks out, the challenges will be daunting.

How do we promote lasting security in the Gulf?

What are the trade-offs between the reassurances and the resentments fueled by a continuing U.S. presence?

How do we contend with the specters of terrorism and weapons of mass destruction?

What is a fair distribution of financial burdens? How do we lessen the regional rage harbored by the deprived against the affluent?

What constitutes genuine domestic stability for moderate Arab regimes?

How do we tackle the virulent Arab-Israeli enmity that exacerbates the area's manifold tensions?

America will confront such an agenda from a position of great prestige and power. It will have created and led an unprecedented international coalition and, with modest casualties, forced an aggressor to yield his spoils. Having thus won the war, it could feel confident about winning the peace.

A ton of dust has yet to settle from last week's Iraqi announcement. The odds remain that we are watching much ado about nothing, that America will not face the policy choice outlined here. But if it does, let it consider it good news, not some "nightmare scenario." Let it not allow the best to be the enemy of the good.

The writer, a former U.S. ambassador to China and former director of the State Department's policy planning staff, lectures and writes on international affairs. He contributed this comment to The New York Times.

Yes, Try for an Early End to This War

By Anthony Lewis

BOSTON — The proposal was clouded by conditions, but it was a signal nonetheless. For the first time, Saddam Hussein used the word "withdrawal" and mentioned the United Nations resolution demanding that Iraq leave Kuwait. His timing must have reflected fear — fear of the terrible damage being done to his forces. So how do we manage the endgame?

The first thing is to understand that, if the coalition against Iraq can achieve its objective, there are great advantages for the United States and its partners in ending the war soon.

Right now, coalition casualties are incredibly low. Iraq has not used chemical or biological weapons. The coalition has held together, confounding some predictions. The crucial link with the Soviet Union is intact despite strains. Iran has stayed out of the war.

The pounding of Iraq from the air, especially with the increasing civilian casualties, has aroused widespread anger in Arab countries and the rest of the Islamic world. But so far no government has been overthrown, and none has followed Saddam's call to break relations with America.

All of those current advantages would be put at risk if the war went on for another month or two. Casualties would mount. The alliance would be severely strained. Arab and Muslim alienation from the West would be greatly exacerbated.

The question is whether the coalition can hope to achieve its objective, forcing Iraq out of Kuwait, without an extended war. No one can be certain of that, but the coalition can improve the chances by the way it presents the choices to Iraq and its people.

President George Bush used the harsh approach in his response to the Iraqi offer last week, denouncing it as a "cruel hoax." He chose the opposite of President John Kennedy's course in the Cuban missile crisis. Responding to Nikita Khrushchev, Mr. Kennedy picked out the most hopeful part of Mr. Khrushchev's messages and replied encouragingly to that.

If something further emerges from the visit of Foreign Minister Tariq Aziz to Moscow, or if there is another proposal from Baghdad, Mr. Bush can afford to follow the Kennedy tactic. He must also be absolutely clear in laying out for Iraq what its alternatives are.

One course for Iraq is to say unequivocally that it is withdrawing from Kuwait. It would have to make that commitment credible by actually beginning to pull some forces out.

Mr. Bush should say that, in response to such a statement and action, the United States and its allies would stop bombing; and the coalition would allow the safe withdrawal of Iraqis from Kuwait if it were done quickly — that is, leaving heavy equipment behind.

Mr. Bush should offer assurance that the coalition would not be vindictive — that it would follow Winston Churchill's precept: In victory, magnanimity. If an Iraqi government forswears aggression and destroys its stocks of chemical and biological weapons under international supervision, the United States should be ready to help Iraq rebuild.

Mr. Bush knows that Iraqis celebrated the brief hope of peace last week and plainly long for it. (He knows that from Peter Arnett, the CNN reporter in Baghdad who has been the target of right-wing smears.) Mr. Bush can help end the war by speaking clearly to that sentiment.

There are American voices urging that war objectives be expanded beyond the freeing of Kuwait. The United States should not stop until Iraq is totally destroyed, they say, and until Saddam is gone.

If Saddam survives in office, there is reason for concern, given all his cruelties. But his military power will be largely gone. Iraqis and others will understand his responsibility for the devastation of his country; he will not be a hero in defeat. And think of the dangers in expanding the objectives. Is the United States to march on Baghdad? The casualties would be great, the political cost terrible. America and Americans would be anathema in the region for years to come.

Indeed, Washington should be minimizing the political and moral onus now by stopping the bombing of Baghdad and concentrating on the Iraqi forces in and around Kuwait. What was the purpose of bombing the Ministry of Local Government?

There are risks in seeking an early end to the war. The military commanders must consider whether peace talk is just a device to delay until the sandstorms come. But the risks of a longer, larger war are grave.

The New York Times.

Europe: The Skeptical Obituaries Jump the Gun

By Richard Sinnott

DUBLIN — Amid all the uncertainties of the Gulf crisis, one pronouncement has been made with a certainty that is almost strident: European political union, or at least that part having to do with common foreign and security policy, is as good as dead. Dire predictions have been so firm that they are unlikely to be shaken by this month's agreement among European Community foreign ministers that the Gulf war has made it more, not less, necessary to work gradually toward a common foreign and security policy.

The early versions of the pronouncement focused on opinion in Europe as of mid-January. The argument went like this:

Public opinion in Europe is all over the place — strongly supportive in Britain, volatile in France, against in Germany and divided almost everywhere else. These distributions of opinion reflect each country's historical experience and are therefore constant. Such countries cannot now and will never be able to agree on the fundamental issue of the use of force in international relations. Without such agreement there can be no common foreign and defense policy.

But this argument betrays a simplistic approach to public opinion, which is neither as straightforward nor as homogeneous as this suggests. Precisely who holds which opinions and with what degree of intensity is crucial. The majority that turns up in an opinion poll is not of the same mind as the marchers and other demonstrators. More important, public opinion is never the sole determinant of the policy options chosen by governments.

From the start, government elites in several European countries have been uncomfortable with the positions of their publics and especially of the protesters. Chancellor Helmut Kohl upbraided German demonstrators for "moral indifference" and "crass twisting of facts."

In France, reservations and restrictions regarding the military option disappeared quickly, and the signs suggest that public opinion followed rather than led this policy change. In Belgium, where there have been reports of protests to the foreign minister by Belgian diplomats, the interior minister has been quoted as saying that some of the things that happened in Belgium, including the refusal to supply ammunition to Britain, "bordered on insanity."

This gap between elite and public opinion affects how we assess the impact of a strengthening of the institutions for foreign policy coordination in the Community. Euro-skeptics assume that what these institutions bring forth will be limited by the pace of the most pusillanimous and pacifist country. The opposite outcome is equally, if not more, likely.

This is because, in a situation in which political leaders wish to get around domestic public opinion constraints, the larger stage of European foreign policy coordination provides ample room to maneuver. To switch metaphors, a common European foreign policy can provide an alibi for politicians who wish to follow a domestically unpopular course. And it may be more than an alibi. A European policy may have a legitimacy and an acceptability to the public of a particular state that action by that state on its own would not have.

Later versions of the pessimistic verdict have paid less attention to public opinion, postulating instead fundamental differences of national interest determined by different cultural traditions and historical experiences.

"National interest" is a notoriously tricky concept. A major conclusion of recent research and reflection on international relations is that "the national interest" is not some historically given fact that is self-evident and immutable. Certainly it is influenced by culture, history and geopolitics. It is also, however, formed by institutionalized interactions between states. In the jargon, perception of national interest is molded by participation in "international regimes."

Here again, institutional arrangements for European foreign policy coordination may play a crucial role. Over time, the perception of national interest and the interpretation of national traditions in each of the member states are likely to be modified in ways that would take Community policy significantly beyond the present lowest common denominator.

But, the critics will say, time is something that Europe does not have. Obvious as it is, it must be repeated that the Gulf crisis is not the crucial test of the viability of a European foreign policy. The current signs of some convergence in Europe's response are important, and Europe's ability to coordinate its approach to making the peace will matter a great deal. Fundamentally, however, a common European foreign policy will be tested on other issues and in other crises after the institutional agreements have been put in place.

But how much time can we assume? Europe, indeed the world, would be extraordinarily unlucky to be faced with a crisis of the dimensions and divisive potential of the current one again in the immediate future. Maybe we will be unlucky. Maybe the Middle East will be so destabilized that some new cataclysm will threaten in that region. Maybe the eruption will occur in the Balkans. Maybe the Soviet Union will regress into totalitarianism or disintegrate into chaos. A more reasonable assumption is that there will be problems and crises aplenty, but that they will be manageable.

Two of the foreseeable problem areas — continued instability and a possible rightward drift in the Soviet Union, and a tendency for the United States to reduce its European commitments and insist on burden sharing — will face Europe with familiar problems that are likely to elicit common responses.

The views suggested here are put forward tentatively. First, the prediction that the Gulf crisis will strengthen the prospects of effective foreign policy coordination in Europe by clarifying the task and highlighting the magnitude of the challenge is as plausible as the prediction that it will fatally jeopardize it.

Second, the predictions of medium-term developments must take account of the effect that common institutions can have in molding the behavior of the participants.

At a minimum, it should be acknowledged that the crystal ball is a good deal more cracked and cloudy than those currently loudly proclaiming the demise of European political union care to admit.

The writer is Jean Monnet professor of European politics and director of the Centre for European Economic and Public Affairs at University College Dublin. He contributed this comment to the International Herald Tribune.

100, 75 AND 50 YEARS AGO

1891: Murder of Bandits

NEW YORK — A cold-blooded murder has been perpetrated by the Cuban Government. Manuel Gracia, a police officer, captured last month some bank robbers, whose chief was Domingo Montelongo. Some days later Montelongo was assured by a representative of the Government that if he and his friends would leave the country the Government would let them escape. Montelongo and half a dozen members of the band, including his wife and the child of one bandit, accepted the offer and boarded a steamer bound for Venezuela. As they were entering the cabin they were confronted by armed police, who killed all the bandits and severely wounded the woman. Officials say it was the surest way of getting rid of a band of bold outlaws.

1916: 'Unsinkable' Ship

ROME — According to the "Rivista Marittima," a new type of warship, which it will be absolutely impossible to sink, is being constructed in Germany. At least that is what the Germans pretend. The warship is protected by triple iron plates below which is a special and secret material which will resist, it is asserted, the effects of shells and torpedoes.

1941: Australians Arrive

SINGAPORE — An Australian imperial force many thousands strong reached Singapore today [Feb. 18]. Thus was brought to this eastern bastion of the British Empire the largest and most powerful reinforcement of men, guns and machines ever to arrive in a single convoy. A few hours after disembarking at the Singapore naval base from great liners which had transported them 3,000 miles under Australian and British naval escort, the Australian troops entrained for already prepared defense stations on the Malayan peninsula.

— From the New York edition of the New York Herald Tribune.

مكبرا من الاصل

OPINION

Soviet Meddling Can Cost Allies Higher Toll of Lives

By William Safire

WASHINGTON — The purpose of Moscow's latest meddling in the war is to save Saddam Hussein's skin and prevent a clear-cut allied victory.

Although that is likely to fail, Mikhail S. Gorbachev's perfidy is forcing us into premature ground battle that could cost thousands of American and allied lives.

Here is the reasoning behind that harsh conclusion: The Soviet imperial interest is to sustain the Iraqi dictator in power in Baghdad.

His oil-rich country would soon again become Moscow's best hard-currency arms customer, and his survival would create a long-term radical threat to Western influence in the region.

But Moscow's dream is the free world's (and much of the Arab world's) nightmare.

The U.S. national interest calls for the elimination of the aggressive threat posed by Saddam Hussein and his clique.

That means not merely his temporary regurgitation of conquest but his personal defeat and removal. Let him become Idi Amin's roommate in exile.

These interests are in geopolitical conflict.

Despite Moscow's attempt to pose as part of the coalition, voting in the UN for the use of force but contributing nothing to that force; and despite our uneasy pretense of welcoming Soviet meddling as evidence of the new world order, the plain fact is that Mr. Gorbachev wants Saddam Hussein in place when the war is over and we do not.

That accounts for the difference in reaction to Saddam Hussein's latest "initiative." This was a shot in his war of stunts: the Scud stunt, the hide-the-air-force stunt, the oil-spill stunt, the sudden-concern-for-civilians stunt, now the conditional-withdrawal stunt.

Remember his offer in August? He announced grandly that he would withdraw from Kuwait when the Syrians withdrew from Lebanon and the Israelis from Palestine.

In rehashing that as a new "initiative," he dropped the Syrian requirement and replaced it with other rewards to make himself appear the victor.

George Bush dismissed it as the hoax it is. Mr. Gorbachev's men (and most of our Arabist television experts) saw in it some cosmic significance, the opening through which a deal could be cut — one that would suit the Soviets' purpose of keeping a subdued Saddam Hussein as their client.

Now Tariq Aziz, the dictator's Ribbentrop, is in Moscow for a high-profile meeting to advance the diddling process.

Why on earth do we allow Mr. Gorbachev, whose goals conflict with ours in this, to act the middleman?

Why does Secretary of State James A. Baker 3d say "more power to them" as he privately pleads with his Soviet counterpart not to suggest a cease-fire or to find a new label for a condition?

The Soviet Union has no standing in blood, treasure or morality to mediate this war. We do not need any middleman at all; our requirement to the Saddam Hussein clique has been edited by war from "leave Kuwait" to "leave; period."

In one month of air war, we have destroyed nearly a third of Iraq's armor and all its air defense.

In another month of even more specific tank and artillery targeting, added to the denial of food and water supplies, we can reduce its armed forces by another third; that would leave the final third incapable of anything but suicide, honorable surrender, or overthrow of the tyrant-loser.

Plain logic demands continuance of that detailed bombardment, which costs few allied lives, allows Iraq's chemicals to decay in their shells and destroys Iraq's capacity to make war.

Yet all signs point this week to the beginning of ground assaults — acceding to Saddam Hussein's eagerness to exchange casualties.

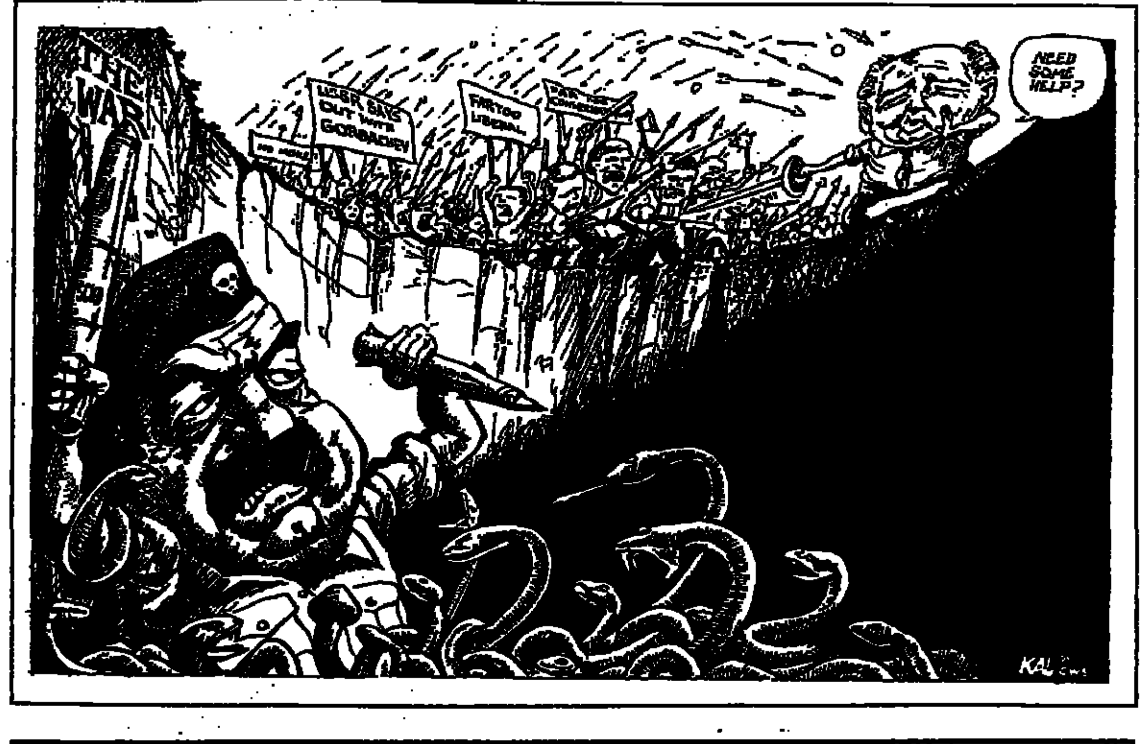
Why are we abandoning the less costly route to victory? The answer is not to satisfy any army-Marine lust for a piece of military glory. The answer is political: to beat the deadline posed by Mr. Gorbachev's meddling.

Mr. Bush is racing that clock of a call for a pause, a paralyzing announcement by Moscow that "unconditional" withdrawal is at hand — with a few side understandings and other fig leaves, never call them conditions, to enable Saddam Hussein to survive and rise again.

Moscow is not pressing Baghdad to surrender to avert an allied ground attack; on the contrary, an allied ground attack is being prematurely launched to avert the mushrooming of Moscow's diplomatic protection of Baghdad.

Mr. Bush is fond of saying the timetable of any ground war in Iraq will not be set by Saddam Hussein. Must it be set by Mikhail Gorbachev?

The New York Times.



LETTERS TO THE EDITOR

Pollution and War

Regarding "U.S. Seeks Details for a War Crimes Trial" (Feb. 13) by Michael Isikoff:

There exists a legal barrier against deliberate destruction of the environment. Dumping oil into the sea for hostile purposes, as appears to be done by Iraqis, is covered by the 1977 Protocol to the Geneva Conventions on the protection of victims of armed conflicts. The Protocol prohibits the use of methods and means of warfare that are intended or "may be expected" to cause widespread, long-term and severe damage to the natural environment. Unfortunately, neither Iraq nor the United States is party to this important international agreement.

JOZEF GOLDBLAT.
Geneva.

The Role Was Real

I had a strange experience in Israel recently: I had to rehearse how to put on a gas mask. Then they showed me how to inject myself against nerve gases. Completely confused, I left the room where the military personnel happily packed their devices, and gave me the farewell words: "We hope now you are prepared." I went to my hotel room, and only then was I filled with anger.

We must no longer be quiet in the very beginning watching a dictator rule by the law of the jungle. We must no longer be quiet under the daily doses of rhetoric from those who measure strength by their description of weapons; weapons first devised to murder mankind, and later sold or traded with friends as well as enemies.

We *must*, to out best ability, from the very beginning, *show solidarity* with the innocent men, women, and children who, during all times, are the ultimate victims when swept away by bloody wars — and no more there when the tramp of armies ceases.

LIV ULLMANN.
New York.

Wrong Either Way

I think we Germans have been made sensitive to war by our experiences. We are now in a dilemma. If we support wars we will be called warlike. If we don't, we are told that we do not support the world community. I would wish for me, my children and my friends that we could simply be taken for what we are.

DEIKE RIESS.
Nuremberg, Germany.

Moral Posturing?

U.S. moral posturing over Kuwait may be justified. But had the Americans shown half as much indignation over the Palestine tragedy over the years, Saddam Hussein might never have surfaced.

R. GEORGE MATTAR.
London.

A Fateful Date

The date of Aug. 2 was no casual choice for Saddam Hussein to invade Iraq. Last year, Aug. 2 coincided with the 10th of the month of Muharram in the Islamic lunar calendar. This is the date of the betrayal and murder of al-Husayn, grandson of the prophet Mohammed and the revered martyr of the Shia Muslims, in the year 680 of the western calendar. This is the most tragic and sorrowful day of the year for the Shiites. Saddam is a member of the rival branch of Islam, the Sunnis.

ALEXANDER RUSSELL.
London.

Eliminate the Middleman

The Saudi government's pledge of $13.5 billion in support of the Gulf war accidentally coincides with the Israeli government's request for $13 billion in U.S. aid. In order to avoid bureaucratic red tape and bank transfer fees, I suggest that the Saudis remit their pledge directly to Israel.

JONATHAN SCHITTINGER.
Athens.

A Dance With Lost Souls: When War Is War Is War

By Tom Brokaw

NEW YORK — All of us have been living first with the prospect of war and then with its reality since the invasion of Kuwait.

For many veterans of Vietnam, many of their worst memories have been reawakened. For them, the Gulf has become a second war. Michael Creamer was one of those veterans. He served as a medic with the Rangers in Vietnam, winning two Purple Hearts and a Bronze

MEANWHILE

Star. When he returned he had trouble leaving his terrible experiences behind.

There was the despair common to victims of post-traumatic stress disorder — depression, bouts of violence, thoughts of suicide.

Other veterans suggested he confront his past by attending the dedication of the Vietnam War Memorial in Washington, and that trip was the beginning of a halting recovery. He met his future wife at the ceremony. She persuaded him to join a veterans outreach program.

As his confidence returned he decided to re-enlist in the army. An injury during parachute training short-circuited his career plans, so he returned to his New England hometown and began to work with other troubled veterans, counseling them. By all accounts he was extremely effective.

Yet the day-by-day counseling took its toll. Dealing constantly with the flashbacks of other veterans, he could not escape his past. He quit and took a job on a dredge, restoring a lake in northwestern Connecticut where he had settled on a wooded hillside.

Life wasn't perfect. He and his wife, Martha, were often separated. They lost their only child to birth defects. He occasionally sought help in group therapy at a Hartford veterans center.

Then Iraq invaded Kuwait, Desert Shield became Desert Storm. Counseling centers reported a sharp increase in veterans seeking help.

One man at a Texas counseling center said, weeping, said the war on TV "brought back memories — and it keeps sticking in my mind — of the people I buried in B-52 bomb holes."

Michael Creamer, extremely conservative in his politics, was obsessed by the war. He was against it. He removed from his fireplace mantel a picture of himself in uniform with George Bush.

He attended a prayer vigil with a friend, Tom Sullivan. Sullivan said: "He looked so sad, this tough little guy. I just hugged him."

Mr. Creamer talked to anyone who would listen about his fears of a ground war, yet he tried to join the army a third time, thinking his experience as a medic would be needed.

Counselors around the country have encountered similar reactions from other veterans: fear, anxiety and a compulsion to re-enlist.

Michael, developing insomnia, played the score from the film "Dances With Wolves" over and over. He told his wife — then living away from him — that when Kevin Costner, portraying a 19th-century soldier, went to a remote army outpost in Dakota Territory to escape the memories of the Civil War, he was a classic victim of post-traumatic stress disorder.

Martha Creamer decided to visit him a week after the bombing of Baghdad began. She recalled that before dinner Michael was listening to the radio and then, in her words: "He just blew, kicking furniture, throwing a beer can. For the first time I was frightened of Michael. Always before I had been frightened for him."

She urged him to return to his therapy group. He saw the counselor the next day; although he seemed confused he promised to return soon.

Instead, he drove back to his home in the woods just east of the Housatanic River. He wrote letters to friends, pinned on his Vietnam medals, put on his Ranger black beret and arranged his driver's license and Ranger identification card at this side.

When all was in order he picked up his shotgun and killed himself. In a note, he wrote: "I'm sorry. I know many people will be hurt. This new war has brought up too many nightmares of the last war. I don't think I could again endure the pain of mass casualties produced by a ground war — and this is the only way out. When the survivors of this war come home, please treat them with admiration and respect we Vietnam veterans never received until it was too late."

The following week friends placed a testimonial in the local paper: "We salute Michael — a complex, compassionate and beautiful soul . . . a casualty of our wars." He was buried at Arlington National Cemetery.

Tom Brokaw is anchor and managing editor of NBC Nightly News. He contributed this to The New York Times.

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February 18, 1991

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J Prargo Fund	DM	39.46
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I Select. Horizon FF	FF	63897.17
b Star Convert. Fd Fl	Fl	9844.90
b Star Convert. Fd US$	$	95.55
BANQUE INDOSUEZ		
w The Dragon Fund Sicav	$	100.08
w Asian Growth Fund	$	34.73
w Asian Income Fund	$	9.26
w Diversbond	SF	72.45
m Dual Futures Fd Cl A Units	$	111.06
m Dual Futures Fd Cl B Units	$	110.25
m Dual Futures Fd Cl C Units	$	105.32
m Dual Futures Fd Cl D Units	$	106.08
m Galaxy Futures Fund Ltd	$	113.81
w Himalayan Fund	$	9.85
d Indosuez Hong Kong Fund	$	17.320
w Int'l Bond Fund	$	11.32
w IPNA - 3	$	530.00
w ISA Japan Rec. Gr. Fund	Y	858.00
w Japan Fund	$	14.855
d Japan Warrant Fund	$	4.12
w Malacca Fund	$	14.19
w Manobed Trust	$	17.550
w Manila Fund	$	7.44
w North American Fund	$	32.715
w Oriental Venture Trust	$	41.315
w Pacific Gold	$	10.85
w Pacific Trust	HK$	21.425
w The Siam Fund	$	23.41
w Strong & Malay Trust	$	13.375
w Tasman Fund	$	3.83
d Worldwide Growth Fund	$	9.730
BANQUE PRIVEE E. DE ROTHSCHILD		
w Daiwa Capital E. Fund	$	987.00
w Daiwa LCF Rothschild	$	1119.97
w Ecu D'Or	Ecu	64.17
w Pri - Tech	$	1103.99
b Source Sicav	$	12.31
BANQUE SCANDINAVE EN SUISSE-GENEVA		
w Intelbond Chf	SF	73.71
w Intelsec Chf	SF	1460.83
w Universal Intelbond $	$	17.15
w Universal Intelbond FF	FF	118.13
w Universal Intelsec	$	14.84
w Universal Fixintec Global	FM	102.59
SPARBULL		
w BB Forex Ltd	$	1030.70
w BB Futures Ltd	$	1032.74
w BB Global Ltd BEF	BF	959.13
w BB Global Ltd CHF	SF	9.57
w BB Global Ltd FRF	FF	95.00
BNP INTERFUNDS		
BNP LUXEMBOURG		
w Interbond Fund	$	225.36
w Interbelgion	BF	54564.00
w Interecu Fund A	Ecu	269.76
w Interecu Fund B	Ecu	1128.71
INTER CASH		
f France Securite	FF	13395.55
f France Monetaire	FF	13403.01
f ECU	Ecu	1474.30
f US$	$	1110.55
f DM	DM	2228.93
f GBP	£	1151.47
f FRF	FF	15448.25
f France Capital	FF	12680.95
INTER OPTIMUM		
w BLF/LUF	BF	76479.00
w Multidevises DM	DM	2132.74
w US$	$	1077.79
w FRF	FF	11175.25
INTER STRATEGIE		
w France	FF	9356.42
w Europe du Nord	£	952.38
w Europe du Centre	DM	1908.86
w Europe du Sud	Ecu	948.72
w Japon	Y	133022.00
w Amerique du Nord	$	1093.44
w Sud-Est Asiatique	$	864.28
BNP JERSEY		
INTER CURRENCY		
w US$	$	12.1251
w DM	DM	33.5980
w GBP	£	13.1374
w International Managed	$	11.9468
INTER EQUITY		
w French Offer	$	17.44
w Pacific Offer	$	17.78
w North American Offer	$	11.73
w European Class	$	10.44
w Australia Class	$	9.45
BROADGATE INTERNATIONAL FUND		
d $ Money Market	$	14.08
d Non - $ Money Market	DM	33.76
d $ Bond	$	14.24
d Non - $ Bond	DM	32.53
d European Equities	$	10.51
d Global Equity	$	17.78
d Global Bond	$	16.87
d Global Bond & Equity	$	16.83
d Pacific Equities	$	10.79
d Prec. Mets / Min. Secs	$	5.34
CAISSE CENTRALE DES BANQUES POP.		
w Fructilux Actions Euro	Ecu	1103.77
w Fructilux Actions Fses	FF	6313.98
w Fructilux Court Terme	FF	6551.32
d Fructilux Oblig. Euro	Ecu	1195.97
d Fructilux Oblig. Fses	FF	6472.46
CALLANDER		
w Callander Emer. Growth	$	123.94
w Callander F-Asset	$	98.25
w Callander F-Austria	AS	1372.61
w Callander F-Spanish	Pta	7618.00
w Callander Swiss Growth	SF	122.68
CAPITAL INTERNATIONAL		
w Capital Int'l Fund	$	94.50
w Capital Italia SA	$	38.18
CCF - GAMMA		
w CM Actibonds	$	39.38
w CM Global Growth	$	10.98
w Elysees Court Terme	FF	64863.78
w Elysees Long Terme	FF	58389.21
w Elysees Monetaire	FF	66170.07
w EMF D-Mark (A & B)	DM	962.94
w EMF Dutch Gul. (A & B)	Fl	1048.61
w EMF Ecu (A & B)	Ecu	1027.40
w EMF Sterlings (A & B)	£	526.84
w EMF US Dollar (A & B)	$	1165.03
w EMF Yen (A & B)	Y	97158.00
d Europe Prest. Fund A	Ecu	9.14
d Europe Prest. Fund B	Ecu	10.75
d Europe Smlr Cos. Fd A	Ecu	12.10
w Europe Smlr Comp. Fd B	Ecu	12.10
CDC INTERNATIONAL		
w CFI Court terme	FF	132834.10
w CFI Long Terme	FF	1130982.86
CIC GROUP		
d Oblicic Court Terme	FF	12743.96
d Oblicic Monetaire	FF	12987.89
CITICORP INVESTMENT BANK (Lux)		
POB 1373 Luxembourg Tel. 477 95 71		
d Citinvest Guardian $	$	1097.56
d Citinvest Guardian Euro	Ecu	1119.47
d Citinvest Mngd Growth	$	1242.16
d Citinvest Mngd Grth Euro	Ecu	1045.06
d Citinvest Selector	$	913.22
d Citicurrencies US$	$	1451.18
d Citicurrencies Managed	$	125.62
d Citicurrencies STG	£	125.95
d Citicurrencies DEM	DM	112.50
d Citicurrencies Yen	Y	10868.00
d Citiport N.A. Equity	$	176.59
d Citiport Japan Equity	Y	6346.00
d Citiport UK Equity	£	104.66
d Citiport IAPEC	$	123.83
d Citiport Cont. Euro. Equity	Ecu	126.71
d Citiport Eomec	$	108.48
d Citiport German	DM	79.00
d Citiport Swiss	SF	84.21
d Citiport French Equity	FF	1039.60
d Citiport N.A. $ Bond	$	126.93
d Citiport Euro Bond	Ecu	113.93
d Citiport Asia Pacific Bond	Y	11254.00
CITITRUST		
w Citiland	$	925.80449
w Citiperformance Pfl A + B	$	18.71389
w Global Bonds	$	11.18800
w Global Equities	$	8.49000
w Global Money Market	$	13.08000
w US $ Bonds	$	13.73697
w US $ Equities	$	218.43351
w US $ Money Market	$	13.95412
COMPASS INTL HOLDINGS Ltd.		
POB 455, Jersey 0534 27267		
w Bond : Dollar Med. Term	$	11.05
w Bond : Ecu Multicurr	Ecu	10.53
w Equity : United Kingdom	£	7.57
CREDIT AGRICOLE : MOSAIS		
d Actions Bassin Pacifique	$	14.69
d Actions Europeennes	Ecu	15.20
d Actions Francaises	FF	102.38
d Actions Int'l Diversifiees	$	100.53
d Actions Japonaises	Y	2064.76
d Actions Nord-Americaines	$	18.98
d Court Terme Ecu	Ecu	16.44
d Court Terme FF	FF	160.77
d Court Terme US$	$	15.77
d Oblig Europeennes	Ecu	14.42
d Oblig Francaises	FF	118.78
d Oblig Haut Rendement	$	17.38
d Oblig Int'l Div Sensib Red	FF	106.53
d Oblig Int'l Diversifiees	$	108.37
d Oblig Nord-Americaines	$	15.71
CREDIT SUISSE (Issue Prices)		
d Actions Suisses	SF	537.25
d Bond Valor £ Sterling	£	84.73
d Bond Valor D - Mark	DM	100.66
d Bond Valor Swf	SF	93.85
d Bond Valor US - Dollar	$	115.45
d Bond Valor Yen	Y	9552.00
d Canasec	SF	495.00
d Convert Valor Swf	SF	135.10
d Convert Valor US - Dollar	$	188.98
d CS Ecu Bond A	Ecu	97.27
d CS Ecu Bond B	Ecu	131.36
d CS Euro Blue Chips A	DM	233.37
d CS Euro Blue Chips B	DM	233.37
d CS Euro Finance Fd A	DM	221.93
d CS Euro Finance Fd B	DM	257.53
d CS Europa Bond A	DM	201.73
d CS Europa Bond B	DM	182.44
d CS Fixed I DM 8% 1/96	DM	101.33
d CS Fixed I Ecu 8 3/4% 1/96	Ecu	102.88
d CS Fixed I SF 7% 1/96	SF	117.11
d CS Gold Valor	$	93.23
d CS Gulden Bond A	Fl	116.33
d CS Gulden Bond B	Fl	136.03
d CS Hispano Iberia Fd A	Pta	22509.00
d CS Hispano Iberia Fd B	Pta	22509.00
d CS Money Market Fd £	£	1022.99
d CS Money Market Fd $	$	1586.54
d CS Money Market Fd C$	C$	1041.68
d CS Money Market Fd DM	DM	1348.08
d CS Money Market Fd Ecu	Ecu	1058.45
d CS Money Market Fd Yen	Y	126971.00
d CS Oeko-protec A	DM	264.90
d CS Prime Bond A	DM	93.06
d CS Prime Bond B	DM	105.26
d CS Short-T. Bond $ A	$	99.38
d CS Short-T. Bond $ B	$	120.35
d CS Short-T. Bond DM A	DM	94.70
d CS Short-T. Bond DM B	DM	118.80
d CS Tiger Fund	$	590.37
d CSF Bonds	SF	71.75
d CSF International	SF	122.58
d Energie - Valor	SF	137.50
d Europa - Valor	SF	202.50
d Pacific - Valor	SF	730.50
d Ussec	SF	661.00
CSFB FUND MGMT Ltd (0481-712996)		
PB122, St Peter Port, Guernsey		
w Islamic Mgmt Fund Ltd	$	997.09 *
DIT INVESTMENT FFM		
d Concentra +	DM	43.21
d Int'l Rentenfond +	DM	78.48
EBC TRUST CO. (Jersey) Ltd		
1-3 Sela St. St Helier ; 0534-36331		
EBC AMRO TRADED CURRENCY FUND		
d Capital	$	24.050
d Income	$	14.842
INTERNATIONAL INCOME FUND		
w Long Term	$	33.2225
d Short Term A (Accum)	$	0.4603
d Short Term A (Distr)	$	0.3010
d Short Term B (Accum)	$	8.9335
d Short Term B (Distr)	$	0.6653
ELDERS INTL. MGMT SRVCS		
see PRISM ASSET MANAGEMENT		
ELDERS SWITZ (022) 25 17 25		
w Elders Australian	AS	98.08
w Elders Int'l	SF	94.75
EQUIFLEX LIMITED		
w Europa A	Fl	9.22
w North America A	Fl	9.35
w UK Small Companies	£	5.12
EURO PACIFIC ADVISERS Ltd		
w Meteore	Y	109088.00
w Pacific Horizon Invt. Fd	$	1956.04
FIDELITY INT'L INV. SERVICES (Lux)		
d Balanced Pfil Hedged	$	11.94
d Balanced Pfil Unhedged	$	11.47
d Conv. Securities Pfil	$	9.24
d Discovery Fund	$	14.76
d Dollars Saving Trust	$	184.55
d Far East Fund	$	68.87
d Fid. Amer. Assets	$	145.84
m Fid. Amer. Values III Com	$	74.19
m Fid. Amer. Values IV	$	90.28
d Fid. Australia Fund	$	15.84
d Frontier Fund	$	25.31
d Global Ind Fund	$	14.34
d Global Selection Fund	$	13.28
d International Fund	$	15.10
d New Europe Fund	$	10.30
d Orient Fund	$	104.31
d Pacific Fund	$	335.15
d Special Growth Fund	$	35.18
d World Fund	$	70.08
FINAFUTURES FINLEY (1-809-322-5039)		
w Portfolio (Est.)	$	1.17
FOKUS BANK A.S. 472 428 555		
w Scandfonds Int'l Growth Fd	$	1.47
GAIA CURRENCY FUNDS		
w Gaia Hedge I	$	118.82
w Gaia Hedge II	$	250.32
w Gaia Hedge III	$	68.46
m Gaia Guaranteed Nov'97	$	
GAM ANLAGEFONDS AG.		
POB 164, 8034 Zurich Tel : 41-1-2516640		
d GAM (CH) America	SF	1413.00
d GAM (CH) Europe	SF	77.08
d GAM (CH) Mondial	SF	1254.00
d GAM (CH) Pacific	SF	1656.00
GAM TRADITION ANGLEFONDS AG.		
d GAM Tradition	SF	873.00
GARTMORE FUND MANAGERS INT.		
45, La Motte Street, Jersey 0534 27301		
CAPITAL STRATEGY FD Ltd		
d American	$	1.648
d Asic Pacific Fund	$	2.115
d Australasian Fund	£	0.3179
d British	£	2.377
d Canadian Fund	C$	0.8502
d Eastern European Fd	DM	4.274
d Emerging Markets Fund	£	1.0870
d European Fund	DM	5.044
d Global Resources Fund	$	0.7372
d International Growth	$	2.978
d Japan Fund	Y	581.7
d Ecu Bond Fund	Ecu	1.8030
d Global Conv. Bond Fd	$	17.63
d International Bond	$	1.332
d Sterling Bond	£	1.0720
d Austr. Dollar Deposit	AS	1.126
d DM Deposit	DM	5.349
d French Franc Deposit	FF	10.87
d Sterling Deposit	£	1.028
d Swiss Franc Deposit	SF	5.363
d US$ Deposit	$	1.067
d Yen Deposit	Y	531.6
GARTMORE INDOSUEZ FUNDS 18/02/91		
Tel : (352) 46 54 24 470		
Fax : (352) 46 54 23		
BOND PORTFOLIOS		
d Deutsche Mark Bond	DM	5.06
d Dollar bond	$	2.05
d European Bond	Ecu	1.83
d Global Bond	$	2.05
EQUITY PORTFOLIOS		
d Developing Markets	$	2.10
d Europe	Ecu	1.04
d France	FF	10.00
d International	$	2.17
d Japan	Y	277.00
d Natural Resources	$	2.05
d North America	$	2.30
d Pacific	$	2.20
d Singapore/Malaysia	SG$	5.58
d Switzerland	SF	2.58
d United Kingdom	£	1.05
RESERVE FUNDS		
d Deutsche Mark Reserve	DM	5.01
d Dollar Reserve	$	2.01
d French Franc Reserve	FF	10.03
d Sterling Reserve	£	1.01
d Yen Reserve	Y	251.00
GEFINOR FUNDS		
London : 071-4994171, Geneva : 41-22355530		
w East Investment Fund	$	896.29
w Scottish World Fund	£	179.0725
w State St. American	$	280.71
GENERALE BANK		
(See also Interselex Group)		
d Rentinvest	$	29.98
d Capital Rentinvest	$	153.89
d Rentinbel Distribution	LF	9289.00
d Rentinbel Capitalization	LF	11774.00
GENESEE FUND Ltd		
w (B) Genesee Short	$	180.40
w (C) Genesee Opportunity	$	101.22
w (E) Genesee Balanced	$	108.42
GLOBAL ASSET MANAGEMENT		
11 Athol St.Douglas.I.of Man 44-624-626037		
w GAM America Inc.	$	236.08
w GAM Arbitrage Inc.	$	218.19
w GAM ASEAN Inc.	$	161.32
w GAM Australia Inc.	$	114.13
w GAM Bond Fd Inc. £	£	109.79
w GAM Bond Fd Inc. DM	DM	98.91
w GAM Bond Fd Inc. SF	SF	79.93
w GAM Bond Fd Inc. US Ord.	$	138.40
w GAM Bond Fd Inc. US Spe.	$	129.48
w GAM Bond Fd Inc. Yen	Y	13481.00
w GAM Boston Inc.	$	293.93
w GAM Europa Fund	$	85.81
w GAM European Inc.	$	181.95
w GAM Franc-Val Inc.	SF	167.99
w GAM France Inc.	FF	1354.52
w GAM Global Fund	$	112.90
w GAM High Yield Inc.	$	82.74
w GAM Hong Kong Inc.	$	276.16
w GAM International Inc.	$	139.17
w GAM Japan Inc.	$	638.47
w GAM Mltl-Mgr Deferred Cl	$	102.61
w GAM Mltl-Mgr Fd Inc Allocs	$	108.96
w GAM Mltl-Mgr Fd Inc Gen Eq	$	106.50
d GAM Mltl-Mgr Fd Trading	$	113.57
w GAM Money Mkts Fd £	£	102.02
w GAM Money Mkts Fd $	$	107.04
w GAM Money Mkts Fd DM	DM	101.85
w GAM Money Mkts Fd SF	SF	101.85
w GAM Money Mkts Fd Yen	Y	10105.00
w GAM North America Fund	$	118.15
w GAM Pacific Basin Fund	$	129.60
w GAM Pacific Inc.	$	538.92
w GAM Restr. Fund Inc.	$	148.06
w GAM Selection Inc.	$	347.47
w GAM Singap-Malay Inc.	$	243.02
d GAM Sterling Spec. Bd Fd	£	102.49
w GAM Swiss Fr Spec Bd Fd	SF	84.81
w GAM Tyche S.A. Class A	$	272.63
w GAM U.S. Inc.	$	185.21
w GAM Univ. Accumulation	$	113.96
w GAM Univ. D-Mark Acc.	DM	109.33
w GAM Univ. D-Mark Inc.	DM	109.33
w GAM Univ. Income	$	113.96
w GAM Univ. Spain Inc.	SF	92.65
w GAM UT Inc.	$	394.04
w GAM Value Inc.	$	92.80
w GAM Whitehorn Fund Inc.	$	146.90
w GAM Worldwide Inc.	$	410.07
w GSAM Composite Inc.	$	236.08
GT MANAGEMENT PLC		
d G.T. ASEAN Fund	$	45.30
d G.T. Asia Fund	$	18.62
d G.T. Australia Fund	$	23.44
d G.T. Berry Japan Fund	$	30.07
w G.T. Biotech/Health Fd	$	15.58
d G.T. Bond Fund	$	17.69
d G.T. Deutschland Fund	$	12.75
d G.T. Dollar Fund	$	20.08
w G.T. Emerging Mkts Fd	$	8.43
w G.T. Euro Small Co Fd	$	31.47
d G.T. Europe Fund	$	32.29
w G.T. Global Small Co Fd	$	16.03
d G.T. Global Techno. Fd	$	17.29
d G.T. Hong Kong Fund	$	30.51
d G.T. Honshu Pathfinder	$	72.41
d G.T. Investment Fund	$	14.74
w G.T. Japan OTC Stocks Fd	$	9.95
w G.T. Japan Small Co Fd	$	15.68
w G.T. Korea Fund	$	5.81
w G.T. Newly Ind Countr Fd	$	26.02
r G.T. Technology Fund	$	42.18
d G.T. UK Small Companies	£	7.49
w G.T. US Small Companies	$	14.09
GUINNESS FLIGHT FUND MANAGERS LTD GUERNSEY		
GUINNESS FLIGHT Glbl Strategy Fd Ltd		
d Managed Currency Fd	$	34.97
d Global Bond Fd	$	31.34
d Global High Inc Bd Fd	$	22.54
d Gilt and £ Bd Fd	£	18.874
d Euro High Inc Bd Fd	£	20.52
d Global Equity Fd	$	68.57
d American Blue Chip Fd	$	21.84
d Japan and Pacific Fd	$	75.49
d UK Fund	£	19.61
d European Fund	$	97.36
GUINNESS FLIGHT Int'l Fd Ltd		
d Deutschemark Money Fund	DM	69.593
d Sterling Money Fund	£	21.845
d Swiss Franc Money Fund	SF	53.084
d US Dollar Money Fund	$	34.509
d Yen Money Fund	Y	7024.379
HILL SAMUEL GLOBAL PORTFOLIO		
1A rue Pierre d'Aspelt Luxembourg 1142		
d H.S. Glbl Pfll £ Fix Inc	£	10.30
d H.S. Glbl Pfll Eur Fix Int	DM	9.55
d H.S. Glbl Pfll Euro Eq	DM	8.29
d H.S. Glbl Pfll Glbl Bond	$	10.55
d H.S. Glbl Pfll Glbl Eq	$	8.94
d H.S. Glbl Pfll Glbl Mngd	$	9.24
d H.S. Glbl Pfll Jap Eq	Y	747.80
d H.S. Glbl Pfll N. Amer Eq	$	9.48
d H.S. Glbl Pfll Pac Bas Eq	$	9.27
d H.S. Glbl Pfll UK Equity	£	9.24
d H.S. Glbl Pfll UK Sm Co Eq	£	9.71
d H.S. Glbl Pfll US Sm Co Eq	$	8.91
HILL SAMUEL INVEST. MGMT. INTL S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
d Crossbow (Far East)	SF	13.28
d CSF (Balanced)	SF	35.65
d European Equity Fund	DM	14.70
d Int'l Bond Fund	$	13.57
d Int'l Currency US	$	27.98
d Int'l Currency US Mngd	$	29.17
d ITF Fd (Technology)	$	14.61
d O'seas Fd (N. America)	$	50.63
IAM, 2 Bd. Royal LUXEMBOURG		
w IAM Bonds Fd-France A	FF	629.22
w IAM Bonds Fd-Allem. B	DM	221.87
w IAM Bonds Fd Japon C	Y	10464.00
w IAM Bonds Fd Div. I	FF	517.92
w IAM Europe Global	Ecu	83.34
w IAM Europe Luxe	Ecu	82.41
w IAM Europe 90/10	Ecu	104.05
w IAM Europe 1992	Ecu	89.35
w IAM Europe du Sud	Ecu	82.79
d IAM Flagship Fund	Ecu	83.21
INTERSELEX GROUP		
d Int. America Fund	$	17.58
d Int. Belgo Fund	BF	2620.00
d Int. Europa Sicav	LF	5458.00
d Int. Pacific Fund	$	1048.39
d Int. World Fund	$	95.24
INVESCO MIM INT'L, POB 271, Jersey		
d Amer. Inc & Growth	$	1.328 *
d Asia Super Growth Fund	$	11.86
d Dollar Mngd Curr	$	15.05
d Dollar Mngd Pfll	$	2.228
d Gold & Prec. Metals	$	0.787
d Gtd. N.W. 1994	$	7.96
d Int. High Income	$	2.451
d Japan Dollar Perf. Fund	$	3.347
d Jersey Gilt	£	0.1798 *
d Nippon Warrant Fund	$	11.72
d Okasan Global Strat	$	17.42
d Pioneer Markets	£	2.322
d Sterling Mngd Curr	£	17.08
d Sterling Mngd Pfll	£	1.535
d UK Growth	£	1.056 *
ITALFORTUNE INTL. FUNDS		
w Class A (Aggr. Growth Ital.)	$	50.22
w Class B (Global Equity)	$	11.36
w Class C (Global Bond)	$	12.21
w Class D (Ecu Bond)	Ecu	10.87
JARDINE FLEMING, GPO Box 11448 Hg Kg		
d JF ASEAN Trust	$	21.72
d JF Far East Wrnt Tr.	$	8.22
d JF Glbl Conv. Tr.	$	11.78
d JF Hong Kong Trust	$	79.68
d JF Japan Sm. Co Tr.	Y	57047.00
d JF Japan Trust	Y	15418.00
d JF Malaysia Trust	$	9.33
d JF Pacific Inc. Tr.	$	83.89
d JF Thailand Trust	$	12.62
JULIUS BAER GROUP		
d Baerbond	SF	874.60
d Conbar	SF	1652.00
d D-Mark Baer Bond Fund	DM	1004.00
d Dollar Baer Bond Fund	$	1178.00
d Emerging Europe Fund	DM	92.43
d Equibaer America	$	1866.00
d Equibaer Europe	SF	1416.00
d Europe Bond Fund	Ecu	108.43
d Liquibaer	$	1983.00
d SFR - BAER	SF	992.00
d Stockbar	SF	1821.00
d Swissbar	SF	1967.00
KIDDER, PEABODY		
b Chesapeake Fund Ltd	$	1549.01
b Int'l Guaranteed Fund	$	1039.25
b Stonehenge Ltd	$	1278.35
b The Gbl Asset Alloc Fd Ltd	$	1071.43
KLEINWORT BENSON SELECT FUND		
d British Fund	Ecu	1.84
d Emerging Asia Fund	Ecu	1.49
d European Fund	Ecu	1.49
d International Fund	Ecu	1.53
d Japanese Fund	Ecu	1.52
d Kansallis World Fund	FM	9.97
d North American Fund	Ecu	1.44
d Pacific Fund	Ecu	1.43
LIPPO ASIA LIMITED		
w Java Fund	$	7.45
LLOYDS BANK PLC, POB 438, Geneva 11		
Deals 41-22-3073208/Inquir. 41-22-3073210		
w Lloyds Int'l Dollar +	$	109.20
w Lloyds Int'l Europe +	SF	148.40
w Lloyds Int'l Growth +	SF	182.90
w Lloyds Int'l Income +	SF	250.00
w Lloyds Int'l N. America +	$	178.15
w Lloyds Int'l Pacific +	SF	143.90
MAGNUM FUTURES FUND Ltd		
m Deutschemark Class	DM	19.92
m Sterling Class	£	5.27
m US Dollar Class	$	9.00
MALABAR CAP MGMT (Bermuda) Ltd		
m Malabar Int'l Fund	$	9.57
MAN INTERNATIONAL FUTURES		
m Alubal Mint Gtd. Fund Ltd	$	107.31
m Athena Diversified Fut.	$	10.09
m Athena Guaranteed Fut.	$	9.43
m Fbme Mint Gtd Plc	$	123.38
m Mint Gtd Ltd - Aug 1995	$	12.88
m Mint Gtd Ltd - Dec 1994	$	14.75
m Mint Gtd Ltd - Jan 1994	$	16.72
m Mint Gtd Ltd - Nov 1993	$	20.67
m Mint Gtd Ltd - Spec Issue	$	27.41
m Mint Limited - Income	$	14.35
m Mint Limited - Ordinary	$	43.34
m Mint Sp Res Ltd (BNP)	$	115.67
m Newcastle Guaranteed Ltd	$	12.47
MERRILL LYNCH		
d Dollar Assets Portfolio	$	1.00
d Iberia Portfolio	$	10.75
d Multi-Curr. Bond Pfll Cl A	$	17.82
d Multi-Curr. Bond Pfll Cl B	$	17.83
d USA Income Portfolio	$	9.58
d US Federal Securities Fd		
d Category A	$	9.99
d Category B	$	
d World Nat Res Pfll Sh A	$	11.13
d World Nat Res Pfll Sh B	$	11.00
MERRILL LYNCH MLT NAT'L INV PFL		
GLOBAL CURRENCY BOND SERIES		
d Australian Dollar Pfll		
d Category A	$	13.03
d Canadian Dollar Pfll		
d Category A	C$	11.86
d Category B	C$	11.85
d Deutsche Mark Pfll		
d Category A	DM	10.49
d Category B	DM	10.45
d Pound Sterling Pfll		
d Category A	£	11.60
d Category B	£	11.57
d US Dollar Pfll		
d Category A	$	11.85
d Category B	$	11.82
d Yen Portfolio		
d Category A	Y	1048.00
d Category B	Y	1045.00
MERRILL LYNCH MLT NAT'L INV PFL		
EQUITY CONVERTIBLE SERIES		
BASIC VALUE PORTFOLIO		
d Class A	$	10.02
d Class B	$	9.92
CONVERTIBLE SECURITIES PTFL.		
d Class A	$	10.54
d Class B	$	10.48
GLOBAL EQUITY PORTFOLIO		
d Class A	$	9.56
d Class B	$	9.34
EURO EQUITY PORTFOLIO		
d Class A	$	10.28
d Class B	$	10.23
MULTIMANAGER N.V.		
w American Growth Fd	$	10.47
w European Curr. Bond Fd	Ecu	10.85
w European Growth Fd	Ecu	10.24
m Futures Fd	$	10.00
w Japanese Growth Fd	Y	1083.00
NIMARBEN		
d Class A	$	208.20
NMB BANK, PO 1800, 1000 BV Amsterdam		
w NMB Dutch Fund	Fl	38.20
d NMB Euromix Fund	LF	2.227
d NMB Real Estate Fund	Fl	38.48
w The Brazil Fund	$	1.22
NOMURA INTL. (HONG KONG) Ltd		
d Nomura Jakarta Fund	$	8.13
NOMURA INVEST BANKING (M.E) E.C.		
d Nomura Gulf Fund	$	8.84
OBLIFLEX LIMITED		
w Convertible	$	11.25
w Deutsche Mark	DM	13.32
w Dollar Long Term	$	16.14
w Dollar Medium Term	$	18.48
w Dutch Florin	Fl	13.53
w Dutch Florin Multi	Fl	11.13
w European Currency	Ecu	15.85
w French Franc	FF	112.54
w HY Euro Curr Divid Pay	Ecu	10.06
w HY Euro Currencies	Ecu	11.07
w Japanese Yen	Y	3642.00
w Multicurrency	$	25.91
w Pound Sterling	£	18.17
w Swiss Franc	SF	10.75
w Swiss Franc Divid Pay	SF	10.31
w Swiss Multi-Dividend	SF	8.79
w Swiss Multicurrency	SF	17.32
w US Dollar Short Term	$	10.84
OLYMPIA Capital Intl. BVI		
c/o OCM, 17 Av. George V, 75008 PARIS		
Tel. 33-1-47230374		
w Finsbury Group	$	115.51
w Olympia Securite	$	107.25
w Winch. Capital	$	101.56
w Winch. Frontier	$	215.07
w Winch. Fut. Olympia Star	$	101.31 *
w Winch. Hldg Int'l Madison	Ecu	1047.20
w Winch. Hldg Int'l Ser D	Ecu	1238.58
w Winch. Hldg Int'l Ser F	Ecu	1227.42
w Winch. Hldg US$	$	16.39
w Winch. Reser. Multi. Gvtd	$	14.81
PARIBAS-GROUP		
d Cortexa International	$	107.53
d Europhenix	Ecu	174.14
d Luxor	$	8.30
d Moneyflow	LF	10115.00
d Par US Treas. Bond Cl B	$	159.83
d Paribas-Rente A	LF	1241.00
d Paribas-Rente B	LF	1434.00
d Parinter Bond Fund	$	16.23
d Parinter Fund	$	224.46
w Parvest Obli-DM A	DM	1252.49
w Parvest Obli-DM B	DM	1398.06
w Parvest Obli-Dollar A	$	1212.89
d Parvest Obli-Dollar B	$	1421.86
d Parvest Obli-Franc A	FF	1463.42
d Parvest Obli-Franc B	FF	1463.42
w Parvest Obli-Gulden A	Fl	1031.52
d Parvest Obli-Gulden B	Fl	1182.73
d Parvest Obli-Sterling	£	116.19
w Parvest Obli-Yen A	Y	112468.00
w Parvest Obli-Yen B	Y	122733.00
PERMAL GROUP		
b Drakkar Growth	$	1996.54
b EuroMir (Ecu) Ltd	Ecu	831.45
b Media Ltd	$	811.24
b Nascal Ltd	$	1382.91
w Updvke Ltd	$	280.03
b Value N.V.	$	1841.95
PIERSON, HELDRING & PIERSON N.V.		
Rokin 55, 1012kk, Amsterdam (20-5211188)		
w Asia Pac. Growth Fd N.V.	$	29.66
w Asian Selection Fd N.V.	Fl	40.90
w DP Amer. Growth Fd N.V.	$	27.24
w Environment Growth Fund	Fl	50.70
w Eur. Growth Fund N.V.	Fl	52.91
w Japan Diversified Fund	$	44.50
w Leveraged Cap Hold	$	370.85
w Tokyo Pac. Hold. N.V.	$	224.94
PRISM ASSET MANAGEMENT		
(212) 332-1032 adviser to :		
d Conqueror	$	81.54
d Prism Fut. Fd (EFF)	$	304.69
d PTJ	$	110.33
d Rainbow	$	121.51
PUTNAM		
d Emerging Hlth Sc. Trust	$	28.48
w Putnam Em. Info. Sc. Trust	$	18.25
w Putnam Glob. High Growth	$	13.13
d Putnam High Inc. GNMA Fd	$	9.53
d Putnam Int'l Fund	$	12.51
ROBECO GROUP		
POB 973, Rotterdam (10-4658711)		
d Robeco	Fl	96.50
d Rodamco	Fl	55.00
d Rolinco	Fl	90.00
d Rorento	Fl	62.50
ROTHSCHILD AST. MGT.		
w Tokyo Pacific Hldgs (Sea)	$	164.14
ROYAL B. CANADA, POB 246, GUERNSEY		
w RBC British Fund Ltd +	£	4.901
w RBC Canadian Fd Ltd +	C$	13.76
w RBC European Fund +	$	12.79 *
w RBC Far East & Pac. Fd +	$	40.62
w RBC Int'l Bond Fund Ltd +	$	14.41
w RBC Int'l Capital Fund +	$	54.14 *
d RBC Mngd Currency Fd +	$	42.25
w RBC North America Fd +	$	14.64
SAFRA REPUBLIC HOLDING		
w Republic (Gnsey) $ Inc Fd	$	9.90
w Republic Gam Fund	$	103.59
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
w Equity Int'l Acc	$	13.64
w Equity Int'l Inc	$	11.27
w Equity Global	$	1.28
w Equity Far East	$	1.94
w Equity Gold	$	0.66
w Equity Japan	Y	111.00
w Equity Nordic	$	1.43
w Equity U.K.	£	1.14
w Equity Continental Europe	$	1.37
w Equity Mediterranean	$	1.07
w Equity North America	$	1.37
w Bond Int'l Acc	$	9.82
w Bond Int'l Inc	$	7.03
w High Income Acc	$	1.39
w High Income Inc	$	1.09
w Bond Sweden	SKr	11.72
w Bond DEM	DM	0.97
w Bond Dollar	$	1.11
w Multicurrency	$	1.39
SOCIETE GENERALE GROUP		
SOGELUX FUND (SF)		
w SF Bonds A U.S.A.	$	13.01
w SF Bonds B Germany	DM	23.79
w SF Bonds C France	FF	94.75
w SF Bonds D Switz.	SF	20.81
w SF Bonds E G.B.	£	9.29
w SF Bonds F Japan	Y	1672.00
w SF Bonds G Europe	Ecu	13.88
w SF Bonds H World Wide	$	13.84
w SF Bonds J Belgium	BF	615.00
w SF Eq. K North America	$	12.12
w SF Eq. L W. Europe	Ecu	11.85
w SF Eq. M Pacific Basin	Y	1398.00
w SF Eq. N France	FF	70.00
w SF Eq. P Growth Countries	$	12.38
w SF Eq. Q Gold Mines	$	9.64
w SF Eq. R World Wide	$	12.74
w SF Short Term S France	FF	128.15
w SF Short Term T Eur.	Ecu	12.57
SOGELUX INDEX FUND (SIF)		
w S.I.F. France Capital	FF	923.12
w S.I.F. France Distrib	FF	923.12
w S.I.F. GB Capital	£	104.15
w S.I.F. GB Distrib	£	104.15
w S.I.F. Japan Capital	Y	14004.00
w S.I.F. Japan Distrib	Y	14004.00
w S.I.F. US Capital	$	168.32
w S.I.F. US Distrib	$	168.32
w S.I.F. World Capital	$	136.88
w S.I.F. World Distrib	$	136.88
SODITIC ASSET MANAGEMENT INC.		
w SAM Diversified Inc	$	118.72
w SAM Strategy Inc	$	96.38
SVENSKA HANDELSBANKEN S.A.		
146 Bd de la Petrusse, L-2330 Luxembourg		
w Neptune Maritime Fund	$	8.49
b SHB Bond Fund	$	49.74
w Svenska Sel. Fd Amer Sh	$	12.72
w Svenska Sel. Fd Germany	DM	8.60
d Svenska Sel. Fd Int'l Bd Sh	$	11.97
w Svenska Sel. Fd Int'l Sh	$	51.32
w Svenska Sel. Fd Japan	Y	535.50
d Svenska Sel. Fd Nordic Sh	$	10.46
w Svenska Sel. Fd Pacif Sh	$	4.48
d Svenska Sel. Fd S/T Ass Sh	$	11.87
w Svenska Sel. Fd Swed Bds	SKr	1004.82
SWISS BANK CORP. (Issue Prices)		
d America Valor	$	393.93
d Anglo Valor	£	183.47
d Asia Portfolio	SF	467.12
d Convert Bond Selection	SF	89.07
d D-Mark Bond Selection	DM	104.02
d Dollar Bond Selection	$	131.50
d Ecu Bond Selection	Ecu	96.52
d Florin Bond Selection	Fl	109.19
d France Valor	FF	1563.55
d Germania Valor	DM	446.36
d Gold Portfolio	SF	257.36
d Iberia Valor	Pta	48028.00
d Ital Valor	Lit	390816.00
d Japan Portfolio	Y	30417.00
d SBC £ MMF	£	2191.85
d SBC 100 Index Fund	SF	1005.00
d SBC DM Short A/B	DM	1032.80
d SBC Ecu MMF	Ecu	2879.47
d SBC Euro Stock	Ecu	149.09
d SBC Sfr Bond A	SF	1054.17
d SBC Sfr Bond B	SF	1096.78
d SBC US$ MMF	$	6406.78
d SBC Yen MMF	Y	524735.00
d Sterling Bond Selection	£	101.53
d Sw. Foreign Bond Selection	SF	98.34
d Swissvalor	SF	346.50
d Universal Bond Selection	SF	71.08
d Universal Fund	SF	97.87
d Yen Bond Selection	Y	10683.00
T. ROWE PRICE ASSOCIATES INC.		
m T. Rowe Price Frontier Ltd	$	11.15
TEMPLETON W.WIDE INVESTMENTS		
GROWTH PORTFOLIO		
d Class A-1	$	9.85
d Class A-2	$	10.40
d Class A-3	$	10.05
d Class B-1	$	9.72
d Class B-2	$	10.47
INCOME PORTFOLIO		
d Class A	$	11.21
d Class B	$	11.16
TERMINVEST Tel : 48.78.92.89		
m Dual Futures Fd Cl D Units	$	106.08
m Galaxy Futures Fund Ltd	$	113.81
THORNTON MANAGEMENT Ltd		
d Eastern Crusader Fund	$	9.06
w Global Access Fund	$	9.60
d Pacif Invt Fd SA £	£	8.32
d Pacif Invt Fd SA DM	DM	24.19
d Pacif Invt Wrnt Fd SA £	£	3.32
d Pacif Invt Wrnt Fd SA DM	DM	9.45
d Thor. Litt Dragons Fd Ltd	$	20.71
d Thornton HK Gateway Fd	$	15.57
d Thornton Int'l Opp. Fd	$	1.74
d Thornton Japan Fund Ltd	$	29.02
d Thornton Orient Inc Fd Ltd	$	22.01
d Thornton Phil. Redev. Fd	$	21.33
d Thornton Tiger Fd Ltd	$	28.770
NEW TIGER SEL. FUND		
d Indonesia	$	7.89
d Malaysia	$	9.21
d Thailand	$	9.96
TYNDALL INTERNATIONAL Bermuda Ltd		
Tel: 809 292 2760		
d American Spec. Sits	$	47.49
d Eurobond	$	33.03
d Mortgage	C$	14.57
d Overseas	$	26.54
d Tiger	$	41.07
TYNDALL INTERNATIONAL Jersey Ltd		
Tel : 0534 37331		
d Gilt	£	578.20
d Mngd Currency Dollar	$	1.045
d Mngd Currency Sterling	£	116.40
UEBERSEEBANK Zurich		
d B - Fund	SF	971.60
d E - Fund	SF	512.38
d J - Fund	SF	355.83
d M - Distribution	SF	95.76
d M - Fund	SF	1013.67
d UBZ Euro-Income Fund	SF	9.47
UNION BANK OF SWITZERLAND		
d Amca American Shares	SF	35.25
d Bond-Invest	SF	56.80
d Brit-Invest Shares	SF	700.00
d D-Mark-Invest Bonds	DM	196.80
d Dollar-Invest Bonds	$	113.40
d ESPAC Spanish Shares	SF	182.00
d Eurit	SF	203.50
d Fonsa Swiss Shares	SF	194.00
d Francit Shares	SF	188.50
d Germac Shares	SF	218.00
d Globinvest Shares	SF	95.58
d Gold Invest Shares	SF	144.50
d Holland-Invest Shares	SF	214.00
d Itac Shares	SF	183.00
d Japan-Invest Shares	SF	1209.00
d Sima (stock price)	SF	238.00
d Skandinavien-Invest	SF	212.00
d UBS Money Mkt Invest	$	1022.69
d Yen-Invest Bonds	Y	81000.00
UNION INVESTMENT Frankfurt		
d Unifonds	DM	32.50
d Unirak	DM	74.00
d Unirenta	DM	34.95
d Unizins	DM	105.55
UNIVERSAL GROUP OF FUNDS		
d Univers Sav Amer	C$	9.18
d Univers Sav Equity	C$	10.42
d Univers Sav Global	C$	5.37
d Univers Sav Nat. Res.	C$	4.44
d Univers Sav Pacific	C$	8.67
Other Funds		
r Actiaroissance	FF	513.82
d Actifinance Int'l	$	1080.44
w Actifutures Ltd	$	1283.07
w Actigestion	FF	1299.21
w Activest Int'l	$	26.23
d Amvabel	Fl	63.50
w Aquila International Fund	$	247.15
b Ariane	$	4145.39
d Asia Oceania Fund	$	8.75
m Associated Investors Inc.	$	741.04
m Atlantic Fund	$	67.31
d Atlas Fund	SF	59.21
r Australia Fund	$	16.60
w Balfour Maclaine Series 1	$	978.0200
w BDD Inv Fund-Ecu Bd	Ecu	5461.12
w BEM International	$	5.61
w Bergen Int'l Fund	$	11.30
w Bondselex-Issue Pr.	SF	98.15
m Cal Futures 1990 Fd Ltd	$	27.77
d CB German Index Fund	DM	118.73
w CFE Future Fd N.V.	$	91.81
m Cleveland Offshore Fd	$	19.94
w CMI Investment Fund	$	1283.00
w Columbia Securities	Fl	93.32
w Convert. Fd. Int'l A Certs	$	17.65
w Convert. Fd. Int'l B Certs	$	59.44
w Cumber Int'l N.V.	$	107.84
d D. Witter Wld Wide Ivt Tst	$	26.27
w D.G.C.	$	214.77
w Daiwa Japan Fund	Y	7276.00
w Disa Income Fund	FR	37.35
d Dreyfus America Fund	$	18.50
w Dumelux Amerique	$	1027.86
w Dumelux Asie Pacifique	$	1027.06
w Dumelux Bonds Plus	$	1199.74
w Dumelux Europe	Ecu	1009.89
w Dumelux France	FF	6238.98
w Dumelux Opportunit	$	1027.06
m Dumenil Arbitrage Fd NV	$	643.08
d Ecu Pic Ocego Fund	$	1.74
w Eas Overseas Fund Ltd	$	1001.00
d Emi Belg. Ind. Plus (A)	BF	8147.00
d Emi Belg. Ind. Plus (B)	BF	8147.00
d Emi France Ind. Plus (A)	FF	788.96
d Emi France Ind. Plus (B)	FF	788.96
d Emi Germ. Ind. Plus (A)	DM	84.43
d Emi Germ. Ind. Plus (B)	DM	84.48
d Emi UK Index Plus (A)	£	92.35
d Emi UK Index Plus (B)	£	92.35
w Espir. Sto Inv M Sth Eur Fds		
w Esprit Sicav	Ecu	1105.21
d Eurasud	FF	971.76
d Europe 1992	$	18.66
d Europe Obligations	Ecu	79.12
w F.I.T. Fund FF	FF	118.92
w F.M.P. Portfolio	$	0.5096
w Fairfield Int'l Ltd	$	151.35
w Fairfield Sentry Ltd	$	213.15
w Fairfield Strat. Ltd	$	49.25
m Fatum Fund	$	772.27
w First Eagle Fund	$	3631.57
m First Frontier Funds	$	85.14
w FL Trust Switzerland	SF	85.71
d Fonditalia	$	85.29
w Formatex Issue Pr.	SF	128.85
d Force Cash DM Sicav	DM	5181.43
d Force Cash Ecu Sicav	Ecu	2630.46
d Force Cash FF Sicav	FF	15700.34
d Force Cash US$ Sicav	$	3093.66
d Forexfund Limited	$	9.41
w Formula Selection Fd	SF	61.18
d Frankl-Trust Effekten Fd	DM	158.72
d Frankl-Trust Interzins	DM	39.38
m Gems Progressive Fd Ltd	$	1074.66
w George V Inv. Bond F.	$	24.91
m German Sel. Associates	DM	1432.21
d Green Line France	FF	472.44
w Hasenbichler Com AG	$	1337.00
w Haussmann Hldgs. N.V.	$	331.96
d Hestisch T.F.	SF	18738.00
w Hestia Funds	$	145.10
w Horizon Fund	$	2057.42
w Ibex Holdings Ltd	SF	168.88
w IFDC Japan Fund	Y	28963.00
r ILA-IGB	$	1.55
r ILA-IGS	$	9.94
m IncAmerica N.V.	$	14.61
m IncAsia N.V.	$	9.46
r Int'l Securities Fund	$	29.18
m Interface Fund Ltd	$	150.78
d Interfund SA	$	47.27
w Intermarket Fund	$	470.68
w Intersec SA	$	3632.64
d Investa DWS	DM	68.44
d Investment Fund	$	104.73
m J Copel Guaranteed Fund	$	10.05
w Japan Pacific Fund	$	221.67
w Japan Res. Growth F.	Y	860373.00
m Japan Selection Assets	Y	9113.00
w Japan Selection Fund	$	237.48
d JJ Placement	FF	12510.05
w JWH Worldwide Fund	$	9.25
d Kenmar Guaranteed	$	9.89
w Kenmar Int'l - B	$	11325.00
d Kenmar L/C	$	9.00
m Key Hedge Fund Inc	$	167.18
w Kleinwort Bens. Jap. Fd	$	205.50
w KML-II H. Yield	$	329.86
w Korea Growth Trust	$	30.36
w LACO International	$	5.36
w Leumi Vol. Francaises	FF	972.71
m London Portfolio G'td. I	$	88.57
m London Portfolio G'td. II	$	8.38
w Luxfund	$	115.58
m Lynx Sel. Holdings	SF	118.74
m Maritime Fund Int'l Ltd	$	1028.36
w Mat Growth ESCF DM	DM	17.83
w Mat Growth USCF $	$	10.19
w MBE Japan Fund	LF	1894.80
m MCM Int. Limited	$	143.78
d Mediolanum Sel. Fd	$	40.71
w ML Morgens Lv HY Inv NV	$	9.61
w Moore Global Invts. Ltd	$	2034.62
d NCA Fund	$	11.22
w Nippon Fund	$	189.80
d NM Inc. & Growth Fund	$	17.95
m NMT Asian Sel. Portfolio	$	178.10
w NMT Citadel Bond	SF	114.34
m NMT Nastec Portfolio	$	123.36
d Nomura-Cap Int'l Eq Fd	$	14.99
d Nordmix	Lit	11307.00
m Nova Plus Fund I Ltd	$	1050.00
w Naveurope	Ecu	2612.42
m NSP F.I.T. Ltd	$	10.26
m Oppenheimer U.S. Arb.	$	126.56
w Optimum Fund	$	1276.20
m Overlook Performance	$	1459.12
d Pacific Nies Fund	$	7.23
d PAM Futures Trad.	$	469.22
w Pancurri Inc.	$	176.76
w Paragon Fund Limited	$	10.22
w Plurivest International	FF	115.43
d Precision Fd Ltd	$	80.18
w Prosa, LH. Inc. P.F.	$	3.28
w Pupel-Mohe Barclays Pac.	$	123.35
w Quantum Fund N.V.	$	17582.02
d SAGA Amerique	FF	697.92
d SAGA Court Terme	FF	1214.51
d SAGA France Sicav	FF	425.34
d SAGA Long T. Capital	FF	1127.48
d SAGA Opportunites	FF	696.49
d SAGA Pacifique	FF	1064.25
d SAGA Premiere	FF	1202.80
w Samurai Portfolio	SF	266.40
d Sanyo Kie. Spain Fd	$	11.11
d Sarakreek Holding n.v.	$	20.28
d Saturn Fund	$	1161.68
d SCI / Tech. SA Luxembourg	$	19.11
m Scimitar Guar. Curr Fd	$	8.46
m Scimitar Guaranteed	$	8.24
m Securefund 2000 Ltd	$	5.08
m SLH Guar. F.F.I.	$	1063.03
w SP International SA	$	6628.08
d Strat. Int'l Gold Fund SA	$	6.96
m Sussex McGarr	$	2201.00
w Techno Growth Fund	SF	47.07
d Templeton Glob Inc	$	18.15
d The Petrus Fund Ltd	$	1.83
m TIIC (OTC) Jap. Fd Sicav	$	11.93
w Transpacific Fund	Y	27284.00
d Triton Offshore Class A	$	304.58
d Triton Offshore Class B	$	286.15
d Tudor B.V.I. Futures LTD	$	7514.64
d Turquoise Fund	$	225.98
m Tweedy Browne (UK) n.v.	$	1277.38
w Tweedy Browne n.v. Cl A	$	3630.72
w Tweedy Browne n.v. Cl B	$	1780.43
d Uni Bond Fund	Ecu	1656.66
r Uni Capital Fund	Ecu	1173.87
d Unico Equity Fund	DM	57.29
d Unico Inv. Fund	DM	68.48
m Unifrad SUS	$	1082.16
m Unifrad FF	FF	11159.44
m Unifrad SF	SF	1098.61
d Univers Bonds	DM	138.91
w Vanderbilt Assets	$	15.81
m Victor Futures Fund	$	228.00
w Wilier Asian Fund	$	10.37
w Willerbond Capital	$	14.60
d World Balanced Fund S.A.	$	12.72
w Worldwide Securities	$	35.99
w Worldwide Special	$	802.29
m Zweig Int'l Ltd $/s	$	10932.00

To our fund listers

Both the fax and telex numbers for updating funds prices have changed. Please now send these to: Fax (33-1) 40 28 07 77 Tlx 215 326 IMPAL F.

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These Objets d'Art Are Made for Walking

Sometimes They Stay on Mantelpiece

International Herald Tribune

LONDON — Manolo Blahnik cups his hands in the air, around an imaginary foot.

"Hands are exposed all the time, but feet are prohibited," he says. "That is why there are orgasmic moments when a shoe comes off. Deep down I can see the reason that shoes

SUZY MENKES

are sex objects and why shoes and stockings have always been linked with masculine arousal."

Blahnik is well-placed to discuss Sex and the Single Shoe. He is high fashion's most influential shoemaker, and his delicate, graceful, sensual shoes have won him international acclaim. Next Monday he will be in New York to collect his second award from the Council of Fashion Designers of America — the first time that an accessory designer has been twice honored by the CFDA.

He will greet fans and friends at his 55th street store and in Bergdorf Goodman, where last season 40 percent of the collection was sold out in three weeks — at $500 a pair. Women tell him that they find his shoes irresistible; he knows his work will occasionally end up on a mantelpiece as an object of desire, or as a pair of virgin soles swaddled in tissue paper in their box. Call it the Imelda Marcos syndrome.

The typical Blahnik shoe is almond-toed, in suede as soft as a peach's skin, raised on a slender, shapely heel and enveloping the attenuated instep with a few dainty straps. For the spring season, there are bare and airy mules — about as far as you can get from the Doc Martens brogues clumping down King's Road — a few steps from the shoe-box of a store that Blahnik set up in 1973. His sister Evangelina runs his operations, which include distribution to stores and his own shops in New York and at the Landmark in Hong Kong.

"I am not against Doc Martens — they are good for children without imagination, *but they do not* correspond to my sensibility," he says. "I like whimsy, I like lightness, things that are not heavy."

Blahnik, 48, was born to a Spanish mother and a Czech father in the Canary Islands. He retains a continental, lounge-lizard elegance and an accent in English. Yet his design spirit reflects 18th century England. Although he travels constantly, "home" is a house in Georgian Bath. He is drawn to the 18th century in his pursuit of elegance and a "fastidious, almost religious care of achieving perfection, like John Evelyn."

"I am not hated by manufacturers," he says, "but I am difficult to work with because I care so much."

The feather-light shoes that he creates for celebrities like Madonna and Bianca Jagger, are made in *Italy — three different factories for* high heels, low pumps and boots that lap the foot and caress ankle and calf. He likes to work as a craftsman on the prototype, sculpting the shoes' lasts out of cherry wood.

'My shoes are not fashion — they are gestures,' says Manolo Blahnik.

"I love the smell of it," he says. "I did a heel and it was so wonderful that I was on a high for three days."

Twenty-five years ago, his fledgling career was almost grounded by the two-tone rubber high heels that he made for the 1960s designer Ossie Clark. The shoes were bought by a friend of David Hockney who broke a leg as the heel melted under her. Those were in the wild days when he was making shoes for Paloma Picasso, and Diana Vreeland came to see him at New York's Chelsea Hotel and took him up as a fashion protégé.

"I loved her, how I loved her!" he says. "She had difficult, demanding feet, with a curving instep. The last pair I sent her were red satin mules and she said that they reminded her of roses."

With Vreeland, at the Metropolitan Museum, he opened a Moroccan leather trunk smelling of cherry and lemon wood shoe trees, and found silken pumps dating from 1914 by the legendary Yanturni.

Blahnik is a romantic shoe designer in that tradition — an heir to the feminine, decorative style of Roger Vivier, although his own cobbler hero is André Perugia, famous between the wars for his wit and imagination.

"Vivier has a wonderfully light hand, inspired by the past, but Perugia had a kind of madness," says Blahnik. "He did a horrible heel for Schiaparelli, with a corkscrew spiral — *it is sick, but I love it.*"

His earliest shoe memories are of films — Marlene Dietrich "triggering incredible desire" by dangling from one foot a slipper with wafting marabou feathers; Anna Magnani creating "a moment of great sexual tension as she shakes the sand from her high-heeled shoes." Blahnik's first flashes of shoe-consciousness came from seeing Maria Montez in kitsch 1940s gold kid oriental platform soles in "Ali Baba and the Forty Thieves," and from watching the island shoemaker on Santa Cruz make his mother's shoes.

AFTER studying art and literature in Vienna, he prepared a portfolio of theater and costume designs, which he showed to Cecil Beaton and to Vreeland, who both focused on the shoes. He briefly made furniture during the 1980s and attempted to commercialize his talent by working with Elio Fiorucci, producing thousands of "high heels in leopard, zipped-up ankle boots" and a quarter of a million plastic sandals in Jell-O *shades.*

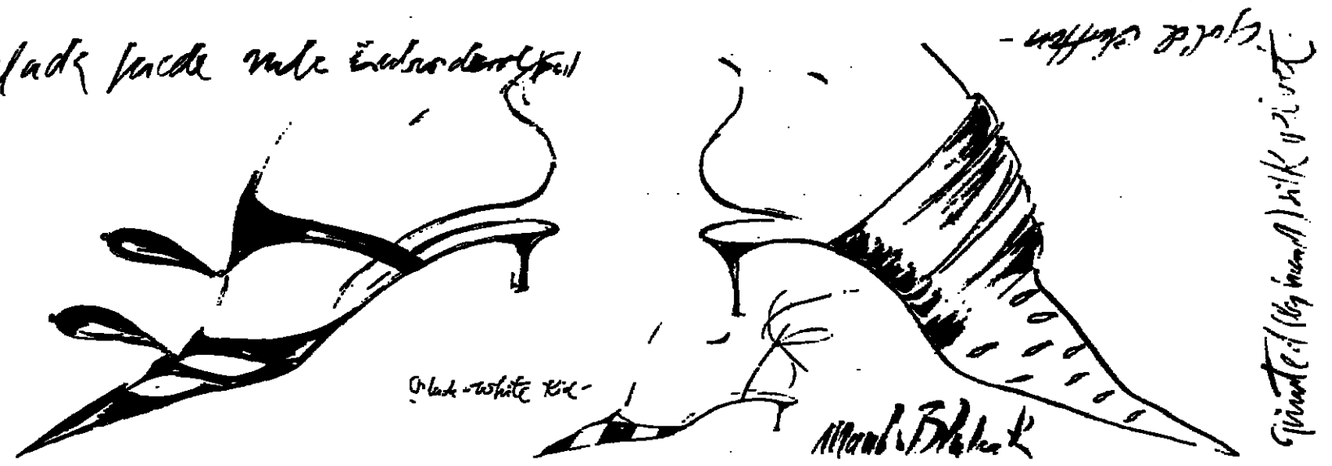
He remains original, elitist, working with designers he admires — Jasper Conran or Isaac Mizrahi, whom he describes as "a reference for American fashion, a responsible young voice."

"My shoes are not fashion — they are gestures," he says. "They are objects that happen to be in fashion."

As for the erotic power of the shoe, for Manolo Blahnik, his life's work represents power, *tout court.*

"Think of Ross Klebb with the knife coming out of her shoes," he says. "Or think back to Nero strutting around Rome in those gold-leaf heels. Shoes are powerful symbols."

Photograph by Dave Greenwalt



Manolo Blahnik holding a buckled pump, and some of the delicate, decorative mules in suede, kid and velvet from his summer collection.

STYLE MAKERS

Faking Florence

THE GREAT DEBATE

International Herald Tribune

FLORENCE — A rare spell of snow was blowing past the windows of the Florence workshop and, inside, the restorer looked just as white, his face and tools dusted in powder used to clean polluted works of art. It had taken Ernesto Tucciarelli six weeks just to lift the crust of paint and grime from a grand statue of St. Peter, carved in marble nearly 600 years ago.

"We can put a dirt repellent on him," said the restorer, as he ran his thumb over a crack filled with black particles.

"This one has suffered even more," he added, revealing the striking figure of St. Mark, a piece that has been praised as a pioneer of the Italian Renaissance. Its marble nose had been stunted by acid air and water potent enough to destroy parts of the figure's fingers *and of the Bible in its hand.*

But the two apostles, sculptured by Donatello, had been slowly rehabilitated and soon they would return to a prominent public pedestal. "They should not be on the street anymore," Tucciarelli said *with affection.* "I really hope they go indoors."

This wish is part of a rousing argument among citizens of Florence who worry about the changing face of their gracious medieval city. Part of the fight involves the issue of what Florence should do about the pollution encroaching on its works of art. Should the many splendid reliefs, fountains, friezes, and statues remain in the open spaces where they were placed in the centuries of Florentine power and glory? Or should they be put *safely inside churches and museums* and be replaced with copies?

Versions of this debate are heard in Athens, Paris, Krakow and other historical centers of Europe. But it has a more passionate edge in Florence, where so much art is out in the open and where so many people make a living from the tourists who come to visit it.

"We have to be very careful not to turn *this* into a make-believe city — we can see that in Hollywood," said Hugo Muccini, director of conservation of the Palazzo Vecchio, *the 13th century town hall.*

The Associated Press

Neptune Fountain: Should reproductions be substituted?

Copies of masterpieces, to be sure, are not new to Florence. Michelangelo's "David," in front of the town hall, was replaced and the original moved into the Accademia delle Belle Arti more than a century ago. The town hall took down its original weather vane; it has also substituted Donatello's bronze "Judith and Holofernes."

But there was a stir last June when the masterful bronze relief doors of the Baptistry — the "Gate to Paradise" by Ghiberti — were removed. The replacement, freshly gilded in France, was too glaring, people complained. Restorers have promised that the shine will eventually wear off.

Some people insist that the real issue is not whether Florence replaces its delicate artworks with fakes but how it must protect the overall quality of life in its historic heart. Many agree their city must avoid the example of Venice, which is rapidly turning into an open-air museum and an emporium that caters only to fleeting masses, while losing all normal civic and community life. Officials here say the challenge is to stimulate more local cultural and economic activity.

But the recurring argument is that the city's real and age-old vocation is intellectual and artistic and that it must revive its role as a center for study, conferences, and cultural festivals. Art restorers and curators, meanwhile, are pleading for measures to cut back pollution. They note that Florence is set in a basin where dirty air often remains still and complain that, although *the consequences of pollution* are well known, they are largely ignored.

Mauro Matteini, a chemist who specializes in ways to prevent the decaying of art, complains that local conservation and anti-pollution policies "are completely inadequate."

He said: "Florence lives off its art, but it is run by commercial interests. Shop and restaurant owners carry much more weight than cultural groups."

City officials responded that they had already taken many measures; like replacing a large proportion of the fuel oil used for heating with clean gas, imposing emission controls on cars, and restricting downtown traffic by issuing special circulation permits.

The municipal police, in turn, dismissed the measures as ineffective. "We have only two sensors to check all the car exhausts of Florence," said one officer. "The politicians and bureaucrats have given out so many circulation permits as favors that traffic is practically back to normal," he added.

In the fight to hold the aesthetic high ground, art historians and curators held a conference in December, brought in international experts and published a glossy book on conservation efforts. Many agreed it was proper to move works of art indoors, at least until pollution is adequately curtailed or until science finds a way to prevent the decay of frescos and works of *wood, stone, and bronze.*

The thought saddened Annibale Cecchino, a guard on the central Piazza della Signoria, who has come to know the statues of the loggia intimately. He praised the beauty of "Perseus" trampling Medusa, the bronze by Cellini, *as if* it were his own and then moved on, past Greek and Roman marbles, to Giovanni da Bologna's grand "Abduction of the Sabine Women" carved in stone. Yes, he conceded, they looked bedraggled and stained. He remembered the day, *two years ago, when the bronze of* "Judith and Holofernes" moved from the piazza into the Palazzo Vecchio.

"I hate the idea," said the guard, "but, sooner or later, they will all move inside."

Marlise Simons

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10 Wild guess
14 Sills specialty
15 Prefer
16 Spare, sometimes
17 Critical moment, after "in the"
19 He loves: Lat.
20 Hiding place for an ace
21 Units of sound-wave intensity
23 Fourth man
25 Stem
26 Afternoon shows
30 N.Y. lake
33 Crocuses, e.g.
34 Mimics
36 Oahu garland
37 Citrus fruit
38 Inventor Howe
39 —— Orléans, Canada
40 New Guinea port
41 Musical upbeats
42 Metric unit
43 Punctual
45 Possessing learning
47 A plant disease
49 Fly high
50 Namesakes of TV host Hall
53 Muslim decrees
57 Facts
58 Fast rhythm
60 "They have spread —— . . .": Psalm 140
61 Floor: Fr.
62 Writer Bombeck
63 Manufactured
64 Leyte neighbor
65 Transaction

DOWN

1 Fires
2 Seed covering
3 Jambalaya base
4 Choice location for a summer cottage
5 Exhausted
6 Large vessel
7 Craving eagerly
8 Rotunda features
9 Builders
10 Steadfast
11 Diversion
12 Landlocked U.S.S.R. sea
13 Wagers
18 Oasts
22 Fleming and Hunter
24 Cures
26 Soprano Aprile ——
27 Suffix with sect
28 Proven over a long period
29 Sales pitch
31 Farm-machine inventor
32 Gave help to
35 Slackens
38 Religious recluses
39 Repeated
41 Hemsley's TV sitcom
42 Look fixedly
44 Form a conception
46 Peon
48 Corporeal channel
50 Furniture style
51 Punjabi prince
52 Thailand, once
54 Dismal
55 Poet Lazarus
56 Close an envelope
59 Org. for Nicklaus

Solution to Previous Puzzle

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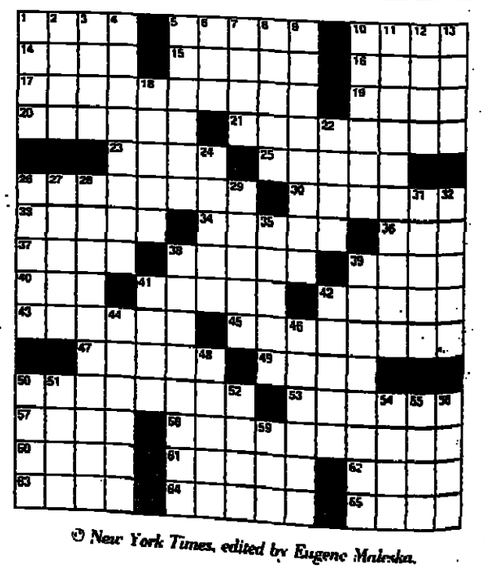

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مكبرا من الاصل

INTERNATIONAL STOCKS

World Markets' Trends Reflect Economic Cycles

By Jonathan Fuerbringer
New York Times Service

NEW YORK — Markets around the world rallied last week, but none of them roared back like in the United States. The Standard & Poor's 500 index hit a record high and the Dow Jones industrial average finally recouped all that it had lost after the Iraqi invasion of Kuwait last August.

Though the European, Japanese and other markets in the Far East have risen — and even though they posted further strong gains on Monday, when the U.S. market was closed — most of them are still lagging far behind America's recovery.

One explanation is simple. Wall Street did not fall nearly as far as other markets after the invasion of Kuwait.

More importantly, however, in the opinion of many analysts, this divergence reflects the different individual economic cycles that now mark the global economy.

The big recoveries have been in countries in the midst of recessions.

The big recoveries have been in countries in the midst of recessions, like the United States, Britain and Canada. In these countries, the onset of recessions have brought down interest rates and fostered hopes of further rate cuts and a quick economic recovery. This has made their markets attractive.

On Wall Street, for example, the S&P 500 is now 14.54 points, or 3.8 percent, above its level Aug. 1, the day before Iraq invaded Kuwait. The Dow is 1.2 percent over Aug. 1. In London, the Financial Times Stock Exchange Index is up well over 7 percent for the year and is just 0.9 percent below its Aug. 1 level of 2,339.

The markets where the Gulf losses have not been regained are in Continental Europe and Japan.

In Tokyo, where the Nikkei index jumped 886.27 points Monday to a six-month high, share prices are still 15 percent below their level of Aug. 1.

The Frankfurt DAX share index, which surged 2.7 percent Monday, is 17 percent below its Aug. 1 level, while the French CAC index is 13.3 percent lower.

Although optimistic analysts are now talking about the coming economic recoveries in the United States, Britain and Canada, in Continental Europe, excluding Germany, they speak of being at the beginning of the downward side of the economic cycle.

This could eventually mean recession, a situation that usually is a drag on their markets.

WHILE THE EUROPEAN slowdowns are accelerating — France could be on the brink of a recession right now — recessions have not yet taken hold. This means interest rates are not falling quickly.

And the recent interest rate hike by Germany has made it harder for France and other countries to lower rates to stimulate their economies and perhaps extend the market rallies.

In Europe, the earnings of many of the companies that dominate the stock markets are very sensitive to the level of interest rates and the health of the economy.

About 60 percent of the capitalization in Continental markets is in manufacturing companies. Of this, about two-thirds is in highly cyclical areas like automobiles, according to Michael Howell of Salomon Brothers in London.

The long fall of the dollar has devastated business for European exporters and crunched the earnings of companies with operations in the United States. "The United States," said Mr. Howell "is exporting its recession to Europe."

"I think there is more bad news to come," said Paul Feldman of Goldman Sachs & Co. in London. He said he expects a round of "awful" earnings reports.

Another difference in the two rallies is the performance of cyclical stocks, like construction companies.

In the American and the British markets, these stocks have matched or outperformed the market, reflecting the feeling that interest rates are coming down and that the recession will end soon, making the companies' stocks a good buy.

But in Germany and France, the cyclical stocks have not done as well during the same rally.

Global Rally In Stocks

Peace Hopes Fuel Dollar Gains, Too

Reuters

LONDON — New hopes for peace in the Gulf swept stock markets higher in a worldwide rally on Monday.

The markets were responding to gains made Friday in New York — where markets were closed Monday for the President's Day holiday — and Tokyo, where the Nikkei index surged nearly 900 points Monday to 26,230.01, a six-month high.

Dealers saw a possible end to the Gulf war in Iraq's conditional offer to withdraw from Kuwait last week, sending shares soaring in Europe and in Asia.

But the news Monday that President Mikhail S. Gorbachev of the Soviet Union had proposed a peace plan to Foreign Minister Tariq Aziz of Iraq did little to bolster shares.

Reports of the Gorbachev plan sent the dollar higher, however. In London trading, the U.S. currency closed at 1.4839 Deutsche marks, compared with 1.4755 DM at Friday's close. The dollar also ended at 130.35 yen, compared with 130.15 yen.

"There's still optimism about this Iraqi peace plan," said Ray Payne, chief dealer at Manufacturers Hanover in London. He noted the dollar seems to be contradicting a recent pattern of moving up as a safe haven against times of trouble.

London's Financial Times-Stock Exchange index of 100 leading shares closed 21.4 points higher at 2,318.3 after hitting its highest level since Iraq's Aug. 2 invasion of Kuwait.

French shares also surged, leaving the CAC-40 index 24.57 points higher at 1,694.96.

In Frankfurt, the DAX index advanced more than 41 points, or 2.7 percent, to 1,572.57.

Swiss shares were also buoyed by the strong showing made on Wall Street and Tokyo. The all-share Swiss Performance Index gained 1.35 percent, or 13.5 points, to 1,010.1.

Japanese stocks surged 3.5 percent, continuing a powerful two-week rally fueled by an unusual source — foreign money, The Washington Post reported from Tokyo. The gain was the ninth in the last 10 days.

Elsewhere in Asia, Hong Kong shares rose sharply, with the blue-chip Hang Seng index advancing 60.76 points to 3,473.42.

U.S. Recession Seen Ending by August

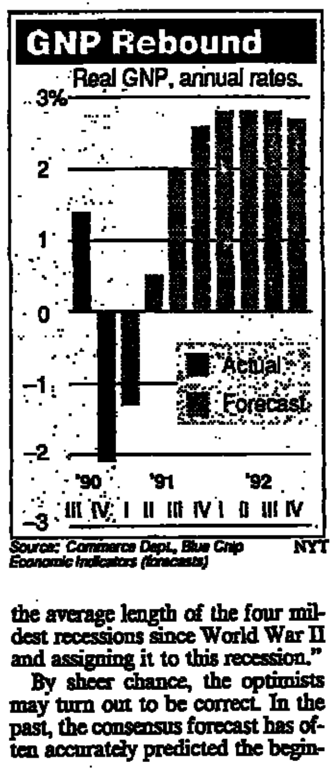
By Louis Uchitelle
New York Times Service

NEW YORK — A majority of U.S. forecasters are insisting that the current recession will end by August, basing their optimism on the behavior of past recessions. By their own acknowledgment, however, the forecasters are playing down the particular troubling features of this recession that could prove them wrong.

The big rise in stock prices in recent weeks has reinforced the forecasters' view that this recession, the ninth in the United States since World War II, will be among the shortest, lasting less than a year.

Blue Chip Economic Indicators, which polls 50 prominent forecasters each month, shows that their consensus prediction in February is for healthy economic growth beginning in the third quarter — assuming the Gulf war ends by April 1.

"People are behaving as if there is something objective out there making the Dow Jones industrial average go up, but it's just animal spirits," said Paul Samuelson, the Nobel laureate in economic science. "The forecasters are taking the average length of the four mildest recessions since World War II and assigning it to this recession."



Source: Commerce Dept., Blue Chip Economic Indicators (forecasts) NYT

By sheer chance, the optimists may turn out to be correct. In the past, the consensus forecast has often accurately predicted the beginning of a recovery. But Mr. Samuelson and other economists contend that the outcome of this recession is harder than others to forecast — and perhaps is unpredictable — because it departs radically from the postwar norm in three main features: the huge quantities of unpaid bank loans, the resulting crisis for the nation's banks and the cutback in lending.

Economists say they do not know whether the lending cutback stems mainly from the reluctance of banks to lend and risk more problem loans or from the reluctance of consumers and businesses to borrow and spend during hard times.

Whatever the dynamics, the economy cannot move from recession to recovery without a revival of lending and the increased spending that loans make possible.

"We know that the credit stringency problem exists, but it is nearly impossible to anticipate whether it is a major obstacle to recovery or a third-order problem," said Stephen McNees, an economist at the Federal Reserve Bank of Boston, who has studied forecasting trends.

The nation's forecasters, acknowledging this blind spot, issue their forecasts anyway, saying in effect that they have no choice. Most are economists employed at brokerage houses, banks and corporations, and their forecasts are churned out for customers and top management.

Investment and business decisions are hard to make without an educated guess about the economy's future, and the forecasters provide this service. The problem is that their widely published predictions help to shape not only a customer's view of the economy, but also the public's.

Edward Yardeni, chief economist at Prudential-Bache Securities Inc., the investment house, is among the optimists, and his weekly forecasts are mailed to many in the media as well as to investors.

"My ultimate job is to forecast the economy's impact on the stock and bond markets, to help people make money," he said. "So far, I have stressed that the Federal Reserve is committed to getting us out of a recession by lowering interest

See ECONOMY, Page 10

Gulf Talks Send Oil Tumbling

Price Approaches A 7-Month Low

Compiled by Our Staff From Dispatches

LONDON — Oil prices sank Monday to near seven-month lows amid diplomatic efforts to end the Gulf war and confusion over reports of a special OPEC meeting next week.

"The market was very jumpy, looking for what comes out of the Soviet initiative," said one trader, referring to a meeting in Moscow between the Soviet president, Mikhail S. Gorbachev, and Foreign Minister Tariq Aziz of Iraq.

The price of North Sea Brent, a marker for internationally traded crude oil, closed at $16.50 a barrel for April delivery. That was down 54 cents from Friday's close and just 20 cents above the seven-month lows struck earlier Friday.

New York markets were closed for a national holiday Monday.

The weakness reflected the increased tempo of diplomatic activity.

Dealers said there were greater hopes for peace after 3½ hours of talks ended Monday, with a spokesman for President Gorbachev describing Mr. Aziz's approach as "very constructive."

Meanwhile, the president of the Organization of Petroleum Exporting Countries on Monday denied a report that OPEC oil ministers will meet in Vienna next week.

But OPEC sources insisted that Sadek Boussena, the OPEC president and Algeria's oil minister, would be in Vienna next Monday for informal talks with other ministers. The sources' statements followed a report by the Middle East Economic Survey claiming that Mr. Boussena had invited all OPEC ministers to meet for "informal consultations."

The aim of the talks, sources said, is to prepare OPEC for the expected drop in demand and pressure on prices in the second quarter. The sources said it was unlikely that either Iraq or Saudi Arabia would attend the talks.

OPEC ministers have already discussed their concerns about the market on the telephone, the sources said. *(Reuters, AP)*

Soviet Union Plans to Raise Prices 60%

By David Remnick
Washington Post Service

MOSCOW — The Soviet government announced plans Monday to raise consumer prices an average of 60 percent, but Prime Minister Valentin Pavlov said the state would compensate the population for the vast majority of price rises.

Mr. Pavlov's report on the new price plan was the clearest evidence yet that President Mikhail S. Gorbachev's new government has no intention of instituting the sort of radical price reform that many economists here and in the West believe is necessary for a rapid transfer to a market system.

In an address to the Soviet parliament, Mr. Pavlov did not say when the government would institute the price raises, but said the state would set price ceilings on basic necessities such as milk, meat, sugar and transport tickets.

State subsidies to industries would be cut, but not eliminated. The Soviet Union currently spends around one-third of its federal budget to subsidize food and other consumer goods.

Mr. Pavlov said prices for medicine, energy and, to the audible delight of some members of the legislature, vodka would stay the same.

Raises in welfare subsidies and subsidies would offset nearly 85 percent of the price hikes, Mr. Pavlov said.

Many economists here and abroad believe that while the compensation plan may ease social unrest, it will also increase inflation.

Leaders of the Russian republican parliament, as well as Mr. Gorbachev's former economic advisers, Nikolai Petrakov and Stanislav Shatalin, are convinced that the sort of "artificial" price hikes and controls proposed by Mr. Pavlov will do little to ease the disintegration of the Soviet economy.

Alexander Pochinok, the deputy head of the Russian parliament's budget committee, called Mr. Pavlov's plan "hopeless" and "radically wrong," according to the state news agency Tass. Mr. Pochinok said the Pavlov plan could lead to as much as a 40 percent decline in the standard of living.

When former Prime Minister Nikolai Ryzhkov announced plans last year for price rises on goods ranging from bread to refrigerators, people in Moscow and other cities went on furious buying binges, leaving store shelves empty in many areas for days thereafter. Mr. Ryzhkov had to back down on his plan and was never able to regain his political standing.

Last summer, Mr. Shatalin and Mr. Petrakov proposed a 500-day plan that would have freed prices, made deep cuts in the military-industrial complex and tightened the money supply. Mr. Gorbachev initially endorsed the plan, but then, under pressure from the army and the Communist Party, reversed himself in mid-October and began a distinctly conservative turn in overall internal policy.

The appointment as prime minister of Mr. Pavlov, instead of a figure more dedicated to a rapid transition to a market economy, was one of the events that led to the radicals' almost complete abandonment of hope in Mr. Gorbachev. Economists such as Nikolai Shmelyev, who one supported the Soviet leader and even supplied the leadership with advice, are now grouped around Boris Yeltsin's Russian republican government.

Mr. Pavlov admitted that the price program may run into trouble because of the Soviet government's disagreements on economic policy with Russia and other republics.

Municipal officials in Moscow and other cities believe the government instituted joint military and police patrols this month as a preventative measure against social unrest when the price hikes begin.

Cocom Seen Backtracking On Plan to Loosen Curbs

Reuters

PARIS — High-technology manufacturers who are hoping that the West will drop restrictions on trade with Eastern Europe at a meeting in Paris next week are going to be disappointed, trade officials said Monday.

The officials said a scheduled overhaul of existing curbs on exports to the former communist bloc was not going to be as sweeping as had been promised at a meeting last June.

At the June meeting of the Coordinating Committee on Multilateral Export Controls, which was set up in 1949 to stop technology with military potential from reaching communist regimes, delegates agreed to cut the list of items controlled by Cocom by one-third and by drawing up a completely new "core" list.

The new list targets eight categories of goods that can be put to both military and civilian use, and is due to be approved at a high-level meeting in Paris on Feb. 27-28.

The latest rethink is the result of caution rather than a reaction to the new conservative backlash in the Soviet Union, officials said.

CURRENCY RATES

Cross Rates

Feb. 18

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.6715	3.278	1.1266	0.331	0.15 *	—	5.474 *	1.3145	1.2823 *	1.4585	1.806 *
Brussels	30.5575	59.943	20.585	6.049	2.7402 *	18.2745	—	24.0195	0.2340	26.5175	32.980 *
Frankfurt	1.4819	2.91	—	0.2939	0.1332 *	0.8878	4.858 *	1.1468	1.1385 *	1.2855	1.603 *
London (a)	1.9685	—	2.9389	9.9018	2,182.88	3.2774	59.83	2.4941	255.58	2.2588	181.47
Madrid	92.581	181.67	62.42	18.340	8.312 *	55.415	3.0326	72.882	71.026 *	80.22	—
Milan	1,112.95	2,186.50	751.07	220.71	—	666.79	36.493	876.20	8.55	967.00	12.038
New York						Closed					
Paris	5.0455	9.9025	3.4027	—	0.453 *	3.0283	0.1653	3.9696	3.878 *	4.378	5.455 *
Tokyo	130.28	254.42	88.71	25.98	0.1174	78.32	4.2085	102.88	—	112.97	1.4127
Toronto	1.153	2.2614	0.7773	0.2284	1.035 *	0.6894	3.773 *	0.9064	0.8845 *	—	1.246 *
Zurich	1.2715	2.4947	0.8571	0.2518	0.1142 *	0.7609	4.1669 *	—	0.9782 *	1.1033	1.3748 *
1 ECU	1.3816	0.7042	2.049	6.9717	1,538.00	2.3082	42.1779	1.7561	179.986	1.5923	127.87
1 SDR	1.4445	0.7314	2.1292	7.2562	1,599.12	2.3999	43.8407	1.8237	187.211	1.6673	132.944

Closings in Amsterdam, London and Zurich, fixings in other centers. New York and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Feb. 15

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9550.0	Greek drac.	157.75	Mex. peso	2964.50	S. Afr. rand	2.536
Austral. $	1.2706	Hong Kong $	7.791	N. Zealand $	1.6515	Soviet ruble*	0.545
Austr. schil.	10.38	Indian rupee	18.939	Norw. krone	5.762	Swed. krona	5.51
Brazil cruz.	221.80	Indo. rupiah	1885.01	Phil. peso	27.72	Taiwan $	26.64
Chinese yuan*	5.2221	Irish £	0.5542	Port. escudo	129.60	Thai baht	25.00
Danish krone	5.6635	Israeli shek.	1.9495	Saudi riyal	3.7512	Turkish lira	3064.80
Egypt. pound	2.9537	Kuwaiti dinar	n.q.	Sing. $	1.708	UAE dirham	3.6727
Fin. markka	3.5795	Malay. ring.	2.684	S. Kor. won	721.00	Venez. boliv.	54.15

*New York rates unless marked * (local rate.)*

Forward Rates

Feb. 15

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.9633	1.9531	1.9430	Canadian dollar	1.1574	1.1611	1.1641
Deutsche mark	1.4728	1.4757	1.4790	Japanese yen	130.10	130.24	130.33
Swiss franc	1.2649	1.2662	1.2676				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banco Commerciale Italiano (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Feb. 18

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	6⅝-6½	8 15/16-8 13/16	7⅞-8	13 9/16-13 7/16	9⅝-9 ½	7⅞-8	9 15/16-9 13/16	8⅛
2 months	6 9/16-6 7/16	8⅞-9	7⅞-8	13 9/16-13 7/16	9 11/16-9⅝	8-8⅛	9 15/16-9 13/16	8¼
3 months	6½-6⅜	8⅞-9	7 15/16-7 13/16	13-13⅛	9½-9⅜	7 15/16-7 13/16	9⅞-9¾	8¼
6 months	6½-6⅜	8⅞-9	7 15/16-7 13/16	12⅞-12¾	9 11/16-9⅝	7½-7⅜	9 11/16-9 9/16	8⅛
1 year	6 9/16-6 7/16	8 15/16-9 1/16	7½-7⅜	11 15/16-12 1/16	9 11/16-9⅝	7¼-7⅛	9 11/16-9 9/16	8⅛

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Feb. 18

	Close	Prev.
United States		
Discount rate	6.00	6.00
Prime rate	9.00	9.00
Federal funds	Closed	5¾
Com. paper 30-179 days	—	6.85
3-month Treasury bills	—	5.93
6-month Treasury bills	—	5.91
1-year Treasury bills	—	5.89
30-year Treasury bond	—	7.98
1-month CD's	—	6.70
3-month CD's	—	6.30
Japan		
Discount rate	6.00	6.00
Call money	8 5/32	8 3/16
1-month interbank	7 15/16	7 15/16
3-month interbank	7 15/16	7 11/16
Germany		
Discount rate	6½	6½
Lombard rate	9.00	9.00
Call money	8¾	8¾
1-month interbank	8.85	8.85
3-month interbank	8.95	8.95
6-month interbank	9.00	9.00
Britain		
Bank base rate	13½	13½
Call money	13⅜	13⅝
3-month interbank	13⅛	13 3/16
6-month interbank	12⅝	12 11/16
France		
Intervention rate	9⅛	9⅛
Call money	9⅛	9 3/16
1-month interbank	9 7/16	9⅝
3-month interbank	9½	9½
6-month interbank	9 9/16	9 9/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Feb. 18

1 month	6⅝ - 6½
2 months	6⅝ - 6½
3 months	6 9/16 - 6 7/16
6 months	6½ - 6⅜
1 year	6 9/16 - 6 7/16

Source: Reuters.

U.S. Money Market Funds

Feb. 15

Merrill Lynch Ready Assets 30-day average yield:	6.76
Telerate Interest Rate Index:	6.32

Source: Merrill Lynch, Telerate.

GOLD

Feb. 18

	A.M.	P.M.	Ch'ge
Hong Kong	364.55	364.25	—2.80
Luxembourg	364.30	—	—1.75
Paris (12.5 kilo)	366.01	365.25	—0.12
Zurich	364.35	364.80	—1.55
London	364.60	363.75	—1.75
New York	—	Closed	

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

Today's U.S. Banking Fear: 'Silent' Run

By Steve Lohr
New York Times Service

NEW YORK — The morning of Jan. 4 was not a routine Friday at the Bank of New England branch in the Boston suburb of Chestnut Hill.

By 8:30 a.m., there were long lines of anxious depositors at the tellers' windows and cash machines, withdrawing their money. The phones rang steadily with calls from worried customers. Bank officers tried to calm account holders, assuring them that their savings were federally insured up to $100,000.

But to little effect. There were similar scenes at many of the Bank of New England's 300 branches. Frantic depositors pulled nearly $1 billion out of the bank in two days; small savers trooped through the lobbies with their money in wallets, bulging envelopes and briefcases, and money managers yanked out multimillion-dollar deposits through computer and telex orders.

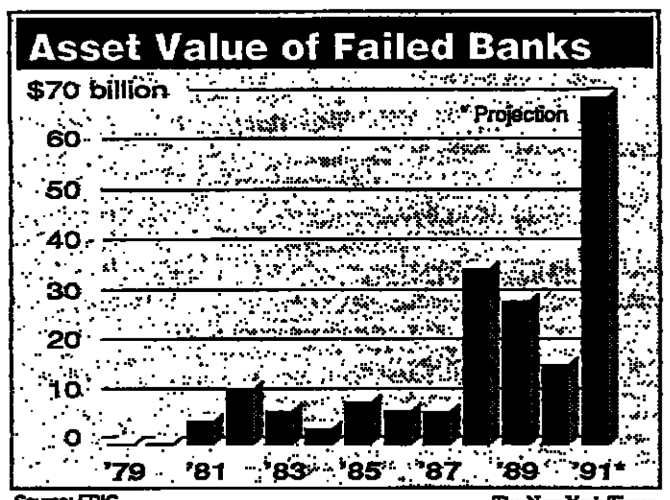
Yet as soon as Washington stepped in, with the Federal Deposit Insurance Corp. taking over the bank on Sunday, the panic subsided. On Monday morning, the doors of the Chestnut Hill branch were opened, and it was business as usual. "We even started to see some money come back," the branch manager, Jean Driscoll, recalls.

Certainly, the bank run of today is not something to be taken lightly. The Bank of New England case underscores how rapidly public confidence can evaporate. The real lesson in the view of most banking experts, however, is that the modern-day bank run is containable.

The bank run of today is far different from the situation in the days before deposit insurance, far different from the Depression-era runs that wiped out the life savings of millions of people and destroyed the American economy.

Runs by individual depositors are extremely rare and are likely to remain so, even in times when a rare combination of harsh economic forces collide, as they are doing now amid high deficits, low growth and the stresses of war. The safety net of federal insurance and regulation does appear to hold.

At the Bank of New England, the main concern of small account holders was that they would not have access to their money for days or weeks if the bank closed. Few expressed fears of actually losing their money. And it took an unusual series of events — recent failures by savings institutions in Rhode Island, steady press coverage of the bank's problems and the Jan. 4 announcement of a big loss — to precipitate the temporary run that did occur.



Source: FDIC The New York Times

After looking back and surveying the damage, banking regulators and experts came away less concerned about conventional runs by the nation's individual depositors than by "silent" runs by corporations, foreign banks and other large institutions, whose money managers may decide to sell the certificates of deposit or commercial paper of banks that show signs of weakness.

Usually, these no-confidence votes are made coolly in dealing rooms around the world. The verdicts may simply be relayed by computer, or telex, and can gather momentum with little warning.

Big depositors have reason to move quickly when the first danger signs appear. There is no assurance that when a bank gets in trouble the government will guarantee all accounts, even those of more than $100,000, as it did with the Bank of New England.

Some flow of money away from American banks, mainly those burdened with bad loans from real estate and takeover deals, is already under way. The phenomenon is difficult to measure precisely or to attribute entirely to eroding confidence in the banks. But in the past year or so, money market funds, foreign investors and American corporate treasurers have cut back their holdings of certificates of deposit from U.S. banks.

"The real issue for American banks," said Robert E. Litan, senior fellow at the Brookings Institution, "is the silent run that seems to be going on right now, and whether that run is gradual or whether it snowballs out of control."

Runs on a small number of banks, causing them to fail, would not be a real blow to the economy. But a more widespread loss could have a collective psychology about it that could deepen the current recession, effectively curb the credit available for growth and increase unemployment and business failures, experts warn.

"Our whole financial system runs on confidence and not much else when you get down to it," said L. William Seidman, chairman of the Federal Deposit Insurance Corp. "What we've learned is that when confidence erodes, it erodes very quickly."

Some analysts contend that bank runs are not a bad thing, if they represent a "flight to quality," shifting money from weaker banks to stronger ones. This kind of shift can keep the banks sharp.

"The runs that involve the movement of funds from one bank to another are a good thing," said George Kaufman, a finance professor at Loyola University of Chicago. "And the threat of a bank run is a powerful source of market discipline."

The winners in this flight to safe banking havens range from huge foreign institutions to tiny but financially strong rural banks.

But another group of analysts cautions that viewing bank runs as a market-driven agent of improvement and change may be a dangerous mistake. Their concern is that the competition that may kill off a sick bank may damage the healthy banks as well.

"Market discipline and a bank panic can be synonymous," observed Lowell L. Bryan, a director of McKinsey & Co. "Nobody makes a bank deposit choosing to take a risk."

It was this concern in the Bank of New England case, this fear of runs at other banks in the region, that led federal regulators to move so quickly and to guarantee that even deposits of more than $100,000 would be fully insured.

"When you have a problem with confidence, you have to act decisively to restore calm," Mr. Seidman said.

Hugh Rockoff, an economic historian at Rutgers University, points out that when President Franklin D. Roosevelt declared a bank holiday in 1933 in the depths of the Depression, half of the nation's banks had closed, industrial production had

See RUN, Page 11

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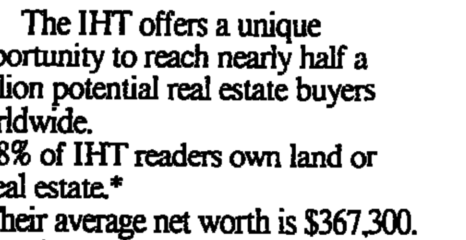

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* Excluding main home. Source: 1989 Reader Survey.

U.K. Retail Sales Fall 1.4%

Compiled by Our Staff From Dispatches

LONDON — British retail sales dropped a greater-than-expected 1.4 percent in January, raising hopes that the government would cut interest rates, analysts said Monday.

Analysts had expected a drop of about 1 percent in January from December, when retail sales were up by 1.9 percent from the November level.

The report on retail sales by the Central Statistics Office was confirmed by the Confederation of British Industry, which said Monday that the volume of business in Britain's high street-shops is running below last year's levels and retailers are increasingly feeling the pinch.

"With the recession intensifying throughout the country, consumer spending in the high street is continuing to fall in real terms and the impact on retail trade is becoming more serious," said Nigel Whittaker, chairman of the CBI Distributive Trades Panel.

After two months of flat year-on-year sales, business in January has declined on an annual basis for the first time since 1983, the employers' organization said.

The CBI said January sales in wholesaling and in car showrooms also weakened, remaining well below last year's levels.

Mr. Whittaker said there was no foreseeable respite for retailers.

"The latest half-point cut in interest rates is unlikely to have any real effect on sales," he said, referring to last week's cut in U.K. interest rates. "It is a welcome step in the right direction and should help to bolster consumer confidence," he added.

Some 27 percent of retailers surveyed by CBI expected higher sales in February, while 36 percent expected sales to fall. Those expecting to place higher orders with suppliers totaled 26 percent, while 38 percent anticipated that they would order less.

Only 7 percent of wholesalers expected higher sales volume in February. *(Reuters, AFP)*

European Futures

Feb. 18

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Mar	184.40	185.00	185.00	184.60	184.60	185.00
May	186.20	187.00	187.00	186.20	186.20	187.40
Aug	192.60	193.40	193.60	192.60	190.20	192.60
Oct	191.88	193.00	193.00	192.80	190.20	191.80
Dec	191.40	194.00	N.T.	N.T.	189.80	192.60
Mar	190.20	193.20	192.00	190.20	188.40	190.60
May	192.40	195.40	195.20	192.40	190.40	192.80
Est. Sales 270.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Mar	619	621	621	615	623	625
May	657	658	658	653	659	661
Jul	685	686	686	687	689	690
Sep	708	710	711	707	715	716
Dec	742	744	744	741	743	744
Mar	768	769	770	767	769	770
May	788	790	N.T.	N.T.	789	790
Est. Sales 4,629.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Mar	528	530	530	515	520	521
May	541	542	542	529	533	534
Jul	554	555	555	545	550	552
Sep	567	568	570	561	566	568
Nov	581	583	585	578	581	581
Jan	598	600	601	592	595	600
Mar	610	617	N.T.	N.T.	600	617
Est. Sales 3,506.						

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons					
May	287.80	286.50	287.50	289.00	+ 0.30
Aug	290.00	290.00	288.50	289.50	— 1.50
Oct	266.00	266.00	263.00	265.00	— 1.50
Dec	N.T.	N.T.	256.00	260.00	— 3.00
Mar	N.T.	N.T.	260.00	263.00	— 2.50
May	N.T.	N.T.	262.00	265.00	Unch.
Est. sales 281. Prev. sales 2,041. Open interest 8,605.					

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Mar	193.00	184.25	187.25	188.00	— 2.25
Apl	167.75	160.00	162.00	162.00	— 4.00
May	160.00	154.00	154.00	156.00	— 0.75
Jun	158.00	152.00	152.00	152.50	— 2.25
Jul	156.00	150.00	152.00	152.00	— 3.00
Aug	156.00	152.00	156.00	156.00	— 3.00
Sep	158.25	154.00	158.25	158.25	— 1.75
Oct	165.00	165.00	165.00	165.00	+ 5.00
Nov	N.T.	N.T.	N.T.	168.50	New
Est. Sales 6,500. Prev. sales 19,103. Open interest 48,130					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Apl	17.35	16.45	16.50	16.50	— 0.54
May	16.80	16.00	16.00	16.10	— 0.60
Jun	16.00	15.90	16.00	16.00	— 0.37
Jul	N.T.	N.T.	N.T.	16.00	— 0.37
Aug	N.T.	N.T.	N.T.	15.93	— 0.37
Est. Sales 4,500. Prev. sales 37,124. Open interest 64,006					

Sources: Matif, Int'l Petroleum Exchange, Reuters.

London Metals

Feb. 18

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1500.00	1502.00	1507.00	1509.00
Forward	1531.00	1532.00	1538.00	1539.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1262.00	1263.00	1240.00	1242.00
Forward	1230.00	1235.00	1245.00	1246.00
LEAD Sterling per metric ton				
Spot	299.00	300.00	308.00	310.00
Forward	311.00	312.00	318.00	318.50
NICKEL Dollars per metric ton				
Spot	8800.00	8825.00	8840.00	8870.00
Forward	8740.00	8750.00	8750.00	8770.00
TIN Dollars per metric ton				
Spot	5595.00	5605.00	5575.00	5583.00
Forward	5690.00	5695.00	5670.00	5680.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1212.00	1214.00	1216.00	1218.00
Forward	1208.00	1209.00	1211.00	1212.00

Czarnikow To Acquire Berg Group

Reuters

LONDON — The international commodity trading house Czarnikow Holdings Ltd. said on Monday it would acquire the V. Berg group of companies in London and New York for an undisclosed number of Czarnikow shares.

Czarnikow is a physical and futures trader in soft commodities and energy. Berg deals in cocoa, edible nuts and spices.

Czarnikow's chairman, Michael Chataway, said the move would strengthen his group in nonsugar markets.

The Berg businesses will be fully integrated into those of Czarnikow and the enlarged group will operate from Czarnikow's present offices in London, New York and Singapore, allowing considerable savings, Mr. Chataway said.

Traders have expressed concern over the takeover, which has been rumored in the markets for weeks.

The world physical cocoa market features a small number of large operators — Sucres et Denrees (Sucden), E.D. & F. Man (which recently took over Gill and Duffus), Rayner, Cargill, Tardivat, Balfour and Czarnikow.

Philipp Brothers cut back on cocoa trading last year after a battle with Sucden for control of cocoa marketing for the Ivory Coast, the world's largest producer.

Barclays to Slash Its Staff

Compiled by Our Staff From Dispatches

LONDON — Barclays PLC, Britain's largest bank, said Monday it planned to cut its work force by 15 percent to 20 percent — or perhaps more than 15,000 employees — over the next five years or so.

A bank spokesman said cuts in the group's work force of 87,000 were "a target and not set in stone." He said they were being made in response to Britain's recession.

Barclays said it hopes to achieve most of the cuts through voluntary resignations and attrition.

Bank officials also said the cutbacks were in line with those of Britain's other three big clearing banks. National Westminster, Lloyds and Midland have indicated they will cut a total of more than 10,000 jobs over the next five years.

Chairman Sir John Quinton, in an interview published Monday in the Financial Times, said Barclays would give details of the cutbacks when it releases 1990 results on Feb. 28.

Mr. Quinton also played down any expectations for a substantial dividend increase this year. *(UPI, AP)*

German Economists Raise Growth Forecast

Compiled by Our Staff From Dispatches

BONN — Economists at Germany's five leading economic research institutes said Monday they had raised slightly their forecasts for economic growth in the former West Germany in 1991, but still expect a less buoyant performance than in 1990.

The economists also said they expect the gross national product of former East Germany to contract by 10 percent to 20 percent this year.

They confirmed newspaper reports that they expect the GNP of former West Germany to rise by 2.5 percent to 3 percent this year, after 4.6 percent growth in 1990.

Several institutes have recently revised downward their growth forecasts marginally in light of the Gulf war, lower worldwide growth and the restructuring of eastern Germany, which is expected to be costlier than earlier expected.

Last October, the institutes predicted western Germany's gross national product would grow 2.5 percent, after accounting for inflation, in 1991.

Finance Ministry sources last week said Finance Minister Theo Waigel expected the economy of former West Germany to grow by a real, or inflation-adjusted, 3 percent in 1991.

Mr. Waigel's latest forecast is at the lower end of the range of 3.0 to 3.5 percent growth predicted by Bonn last year.

Revisions in the institutes' forecasts will probably be needed if the war lasts longer than expected and once Bonn's planned tax rises are announced, the Frankfurter Allgemeine Zeitung said in a poll of the institute's economists.

Separately, the Bundesbank released figures showing that united Germany had a balance-of-payments surplus of 10.98 billion Deutsche marks ($7.4 billion) last year.

In 1989, what was then West Germany had a deficit of about 19 billion DM. *(Reuters, AFP)*

Fiat Cars to Get Pollution Gear

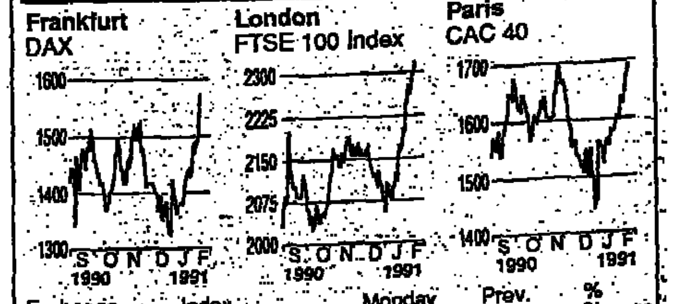
Reuters

TURIN — Fiat SpA said on Monday that all its new car models would be fitted with catalytic converters starting next January.

Under a sweeping accord signed with the Italian government, Fiat said it would invest more than 2.5 trillion lire ($2.24 billion) over the next three years on the converter project, environmental research and cutting industrial waste at its factories.

Fiat wants the government to offer some financial incentive for people switching to cars with catalytic converters.

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	87.90	86.80	+1.27
Brussels	Stock Index	5406.21	5320.18	+1.62
Frankfurt	DAX	1572.57	1531.19	+2.70
Frankfurt	FAZ	658.84	638.99	+3.11
Helsinki	UNITAS	381.70	378.40	+0.87
London	Financial Times 30	1842.50	1824.50	+0.99
London	FTSE 100	2318.30	2296.90	+0.93
Madrid	General Index	256.98	252.03	+1.96
Milan	MIB	1114.00	1082.00	+2.96
Paris	CAC 40	1694.96	1670.39	+1.47
Stockholm	Affarsvarlden	939.28	934.79	+0.48
Vienna	Stock Index	544.01	534.47	+1.78
Zurich	SBS	N.Q.	574.20	-

Sources: Reuters, AFP International Herald Tribune

ECONOMY: *A Short Recession?*

(Continued from first finance page)

rates, and that drives up stock prices.

"What I have not discussed is whether the Fed's commitment will work. If the Fed gets the federal funds rate down to 5 percent and the economy is not only not improving but still deteriorating, then I'll switch my forecast and we'll get out of stocks. But I will have served my customers well."

The federal funds rate, the interest rate at which banks lend money to each other, determines the level of many other short-term rates, including interest rates for auto loans and many mortgages. The Fed has been reducing the funds rate by a quarter of a point at a time since last fall, and on Feb. 1 drove down the rate by half a percentage point, an unusually large amount, to its current level of about 6 percent.

"The thing that really turned the corner in terms of forecasting optimism was that Feb. 1 move by the Fed," said Stephen S. Roach, a senior economist at Morgan Stanley & Co.

But some economists argue that even if interest rates get low enough to revive lending, the recession still might not end this summer, or even this year, for that matter.

They cite problems like the weak real estate and construction markets, a sharp decline in consumer spending in recent weeks, and the growing budget deficit.

Market Closed

The financial markets in the United States were closed Monday for Presidents' Day.

Hachette Scurries to Turn Some New Pages — and a Profit — in U.S.

By Geraldine Fabrikant

New York Times Service

When the French talk fashion, people listen, or so goes the thinking at Hachette SA, the giant French publisher whose European magazines include Match, Elle and Tele 7 Jours.

When it brought Elle magazine to the United States in 1985 — the first part of what was to be a major push outside Europe — Hachette dismissed market research.

"In the Bible, Jesus said: 'If you love me, you will follow me,'" said Régiz Pagniez, the French publications director, who created the Elle look and works in New York at the company's budding American arm, Hachette Magazines Inc. "We have the same thing. Readers can't tell us what is necessary. We have to give them examples."

But Elle's following has flagged, and Hachette's entire United States foray has had some costly setbacks. At Elle, newsstand sales have fallen as its formula, critics say, has grown tired.

Woman's Day, the biggest of 12 titles picked up by Hachette in its 1988 purchase of Diamandis Communications Inc., has been ransacked by the competition.

Hachette is now scurrying to give both magazines a fresh face, which means shrinking the oversized Elle and trading in a homey tradition at Woman's Day for a more contemporary cover look.

With a hint of nostalgia, Daniel Filipacchi, the chairman of Hachette Magazines, which now has 15 titles, says: "There has always been a cake on the cover. One day it is red, one day it is yellow and one day it is blue, but it is always a cake."

Despite deep pockets and its standing as the world's largest magazine publisher, Hachette has had difficulty transporting its success to the United States, an illustration of just how tricky creating a global presence — that universal ambition of media mavens — can be.

The industrywide advertising slump is not the only problem. Magazine executives and analysts claim that Hachette has been undermined by market miscalculations and by the same arrogant attitude that it demonstrated in the Elle start-up:

Hachette, critics say, mistakenly assumed it could operate in the United States as it does in France, where it owns not only magazines but also interests in the companies that distribute them.

But Hachette broke an unspoken code in America, where publishers have not historically owned wholesalers, when it spent $15 million last year to purchase control of the Imperial News Co., a magazine wholesaler in New York City.

Less than 10 months later, it sold Imperial back to its original owners at a loss, claiming that it was effectively driven out of business, and filed a $100 million lawsuit.

"It was a fiasco," admitted Didier Guerin, a long-time Hachette executive who oversees Elle and Elle Décor, two of the 15 magazines.

Hoping to pay down debt assumed in the Diamandis purchase, Jean-Luc Lagardère, the chairman of Hachette SA, decided to sell Woman's Day in an auction, a technique he had used successfully in France but that investment bankers and managers discouraged him from using because of weakening magazine prices.

When bids came in far shy of the asking price, Hachette was forced to yank the magazine off the block, a blow to its credibility and to its advertising, which dwindled. "All our problems stem from Woman's Day," Mr. Filipacchi said.

Hachette has been unable to keep some of the highly visible and successful executives who came with the Diamandis purchase, leading some in the industry to conclude that the French did not understand how to manage top-flight talent.

Among the recent departures: Peter Diamandis, the chairman of Diamandis, and his long-time associate, Bob Spillane; Elle's publisher, Anne Sutherland Fuchs, who became publisher of Vogue; the editor of Woman's Day, Ellen Levine, who joined Redbook, and the Elle Décor editor, Lou Group, who went to House Beautiful.

Mr. Filipacchi dismisses the criticism. Can a media company realistically go global? "To doubt that is to say that you cannot sell Coca-Cola in Russia," he scoffed.

Despite the distress, Hachette Publications appears to be in decent shape financially. Last year, it had a cash flow of $60 million on sales of $550 million — enough to cover debt payments from its purchase of Diamandis. But problems would have arisen next year if not for a $150 million infusion from its corporate parent last November, which it used to pay down debt.

For Hachette, venturing into the United States was consistent with a currently popular premise that any media company wanting to prosper in the next century must be global and diversified to survive as advertising dollars move from print to other forms of media.

MARCH 4

CHAIRMEN'S OPENING REMARKS

THE GEOPOLITICS OF OIL
Anthony Sampson, Journalist and International Writer, London

RESTRUCTURING THE STATE COMPANIES
Dr Jozsef Toth, Managing Director, Mineralimpex, Budapest
Dr Siegfried Meysel, Chairman, OMV AG, Vienna

EMERGING PATTERNS OF SUPPLY & DEMAND
Dr Burckhard Bergmann, Member of the Executive Board, Ruhrgas AG, Essen
Robert Skinner, Director, Office of Long-Term Cooperation & Policy Analysis, International Energy Agency, Paris
Dr Alexey Yakushin, Chief of Energy Group, Institute for International Economic & Political Studies, USSR Academy of Science, Moscow
Roland Williams, Managing Director, Shell International Gas Ltd & Shell Coal International Ltd, London
Moderator: **Dr Herman Franssen**, *Economic Advisor of HE the Minister of* Petroleum & Minerals, The Sultanate of Oman

Lunch hosted by Metallgesellschaft AG

INDUSTRIAL OPPORTUNITIES IN A TRANSIENT ECONOMIC ORDER
Dr Heinz Schimmelbusch, Chairman, Metallgesellschaft AG, Frankfurt

ENERGY EXPLORATION: LAWS, LABOR & LOGISTICS
Alfred Boulos, Senior Director, Exploration & Production, International, Conoco Inc. Houston
Dr Elena Dyachkova, Senior Adviser, Institute of Geology of Foreign Countries, Moscow
Prof Yuri Yershov, Deputy Director, Institute of Foreign Economic Relations, Moscow

REFINING & MARKETING OPPORTUNITIES
H. E. Dr Rashid Al-Ameeri, Minister of Oil, Kuwait*
Aleksandar Broz, Vice President, International Affairs, INA Oil, Zagreb
Gábor József, Deputy Director General, OKGT, Budapest
Dr István Sokorai, General Manager, Afor Petroleum Products, Budapest

RESTRUCTURING THE SOVIET ENERGY INDUSTRIES
***Dr Alexander M. Pyatkin**, Member of the Collegium and Head of* the Department of Long-term Planning, Gosplan, Moscow

Cocktail reception hosted by Mineralkompor, Munich, Vienna and Zurich

MARCH 5

KEYNOTE ADDRESS
Prof Dr Subroto, Secretary General, OPEC, Vienna

THE CLASH OF BUSINESS CULTURES
Mark Elliott, Vice President & Regional Coordinator, Europe, Africa & Middle East Division, Chevron International, London
Victor Klima, Member of the Board (Finance), OMVAG, Vienna
Lucio Lussu, *Director, International Activities, ENI, Rome*
Dr Gyorgy Szabo, Deputy Director General, OKGT, Budapest

ENVIRONMENTAL PRIORITIES & PRESSURES
Dr Marilies Flemming, Minister of Environment, Austria
Josef Vavrousek, Minister Chairman of the Federal Commission of Environment, Czechoslovakia
Tom Burke, Director, The Green Alliance, London

Lunch hosted by Sedgwick Energy Ltd.

EASTERN & CENTRAL EUROPE: TURNING AROUND THE ECONOMIES
Rimmer de Vries, Managing Director, Morgan Guaranty Trust Company, New York

FINDING THE FUNDS TO FINANCE THE FUTURE
Dr Ottokarl Finsterwalder, Member *of the Board of Managing Directors*, Creditanstalt Bankverein, Vienna
Dr Marek Kulczycki, Director of the Department of Foreign Cooperation, Ministry of Foreign Economic Relations, Poland
Prof Gueorgi Matyukhin, Chairman, Central Bank of the RSFSR, Moscow
Moderator: **Humphrey Harrison**, Managing Director, Europe Energy Environment Ltd, London

JOINT VENTURES: MANAGEMENT & MONEY
Eberhard von Koerber, Executive Vice President, ABB Asea Brown Boveri Ltd, Zurich
Walter Christian, Chief Executive, Burmah Oil Deutschland GmbH, Hamburg
Vladimir Dlouhy, Minister of Federal Economy, Czechoslovakia
Christian Duvigneau, Principal Operations Officer, The World Bank, Warsaw

Close of Conference

* Subject to confirmation

EASTERN & CENTRAL EUROPE
THE NEW ENERGY PICTURE
BUDAPEST, MARCH 4-5, 1991

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WORLD STOCK MARKETS

Agence France Presse Feb. 18

	Close	Prev.
Amsterdam		
ABN Amro Hld	37.50	37.20
ACF Holding	35.30	35.70
Aegon	121.70	120.80
Ahold	70.50	69
Akzo	78.80	77.70
AMEV	56	54.50
A'Dam Rubber	3.70	3.70
Bols	107.80	106.50
Buhrmann Tett	56.50	57
Center Parcs	24.25	23.75
CSM	82.90	83.30
DAF	23.30	22.80
DSM	104	102
Elsevier	79.70	77.30
Fokker	28.50	27.60
Gist-Brocades	32.10	31.60
Heineken	140	138.80
Hoogovens	50.70	49.90
Hunter Douglas	58.50	56.30
IHC Caland	49.60	49
Inter Mueller	78	79
KLM	24.70	24.60
KNP	45.50	45.50
Nat Neder	56.40	54.30
Nedlloyd	47.50	44.70
NMB Postbank	42.70	42
Oce Grinten	45.30	45
Pakhoed	178.70	177
Philips	24.30	25.00
Robeco	96.70	95.90
Rodamco	24.30	25.10
Rolinco	70.70	70.20
Rorento	62.40	62.40
Royal Dutch	132.40	132.40
Unilever	154.10	153.20
Van Ommeren	42.80	42.60
VMF Stork	47	46.50
VNU	89.90	89
Wessanen	69.70	68.20
Wolters/Kluwer	51.80	51
CBS Gen'l Trend Index : 87.90 Previous : 86.80		
Brussels		
AG Fin	7300	7000
Arbed	3380	3340
Barco	1100	1116
Bekaert	7400	7500
Cockerill	155	150
Cobepa	5150	5100
Delhaize	6300	6250
Electrabel	4775	4795
GB-Inno-BM	45.90	45.50
GBL	3590	3610
Gevaert	6960	6950
Hoboken	11500	11000
Intercom	182.25	177.75
Kredietbank	3900	3885
Petrofina	10950	10900
Royal Belge	4450	4250
Soc Gen Banque	4970	4920
Soc Gen Belgique	2170	2065
Sofina	11150	11000
Solvay	12475	12175
Tractebel	3300	3175
UCB	18025	17625
Powerfin	2780	2795
Current Stock Index : 5406.21 Previous : 5320.18		
Frankfurt		
AEG	197	196
Allianz Hold	2548	2450
Altana	506	498.80
Asko	817	805
BASF	239.50	228.50
Bayer	262.90	251
Bay. Hypo bank	366	355
Bay Vereinsbk	383	374
BBC	795	791
BHF Bank	424	408
BMW	475.50	468.50
Commerzbank	269.50	266
Continental	219.50	221
Daimler Benz	587.50	563
Degussa	336	321
Dt Babcock	170	172.50
Deutsche Bank	672.80	663.50
Douglas	747	745
Dresdner Bank	373.50	366
Feldmuehle	458	460
Harpener	475	477
Henkel	501	497
Hochtief	1145	1133
Hoechst	241.40	234.50
Hoesch	232	229
Holzmann	1115	1100
Horten	193	194
IWKA	292.50	286
Kali Salz	143	146
Karstadt	586	588
Kaufhof	487	463
KHD	175	176
Kloeckner Werke	130.50	130
Krupp Stahl	134	135
Linde	776	760
Lufthansa	123.50	124
MAN	347	342
Mannesmann	283	277
Metallgesell	460	448
Muench Rueck	2390	2230
Nixdorf	276	277.80
PKI	507	505.50
Porsche	747	710
Preussag	268.50	262
PWA	231.50	230.50
RWE	416.50	408
Rheinmetall	355	330
Schering	772	759
SEL	336	338
Siemens	629.50	622
Thyssen	212	207
Varta	217	212
Veba	344.50	338
VEW	208	212.50
Viag	358	347
Volkswagen	373	355
Wella	750.90	744
DAX Index : 1572.57 Previous : 1531.19 FAZ Index : 658.84 Previous : 638.99		
Helsinki		
Amer A	58	59
Enso-Gutzeit	18.30	18.50
K.O.P.	34	37
Kymmene	61.50	62
Metra	62.80	61
Nokia	71.50	70
Pohjola	102	95
Repola	57.30	58
Stockmann	115	115
Unitas Index : 381.70 Previous : 378.40		
Hong Kong		
Bk East Asia	14.40	14.30
Cathay Pacific	8.15	7.80
Cavendish Int'l	3.95	3.95
Cheung Kong	14.70	14.70
China Light Pwr	17.80	17.20
Dairy Farm Int'l	12.10	11.20
Hang Lung Dev	6.90	6.70
Hang Seng Bank	27.40	27
Henderson Land	9.75	9.40
HK Air Eng.	17.30	16.90
HK China Gas	11.50	11.50
HK Electric	10.90	10.70
HK Land	8.10	8
HK Realty Trust	4.80	4.85
HK Shang Bank	5.70	5.65
HK Shang Htls	4.43	4.38
HK Telecomm	6.80	6.70
HK Ferry	4.33	4.28
Hutch Whampoa	13.50	13.40
Hysan Dev	1.32	1.32
Jardine Math.	29.40	28.70
Jardine Str Hld	15.40	15.10
Kowloon Motor	6.70	6.55
Mandarin Orient	4.95	4.63
Miramar Hotel	5.80	5.70
New World Dev	9.10	8.85
SHK Props	17.40	17.20
Stelux	3.23	3.08
Swire Pac A	17.50	17.20
Tai Cheung Prps	4.18	4.20
TVE	1.12	1.11
Wharf Hold	9.30	9.15
Wing On Co	8.45	8.40
Winsor Ind.	7.60	7.30
World Int'l	4.98	4.93
Hang Seng Index : 3473.42 Previous : 3412.64		
Johannesburg		
AECI	14.25	14.25
Altech	100	100
Anglo Amer	94.25	93
Barlows	39	39.25
Blyvoor	8.75	9.25
Buffels	37	37
GFSA	53.50	52
Harmony	21	22
Highveld Steel	14.50	14.50
Kloof	23	22.50
Nedbank Grp	11	11
Rusplat	61.75	60
SA Brews	45.75	44
St Helena	23.25	24
Sasol	12.45	12.30
Welkom	14	14
Western Deep	82	83.50
Composite Stock Index : 2747 Previous : 2737		
London		
Allied Lyons	5.10	5.02
Anglo Am Gld	79.25	N.Q.
AA Corp	14.50	N.Q.
Asda-MFI Gp	1.28	1.29
Ass Brit Foods	4.88	4.89
Barclays	3.96	3.88
Bass	9.85	9.78
B.A.T.	6.77	6.60
Blue Circle	2.51	2.50
BOC Group	5.63	5.50
Boots	3.42	3.40
Bowater	5.24	5.14
BAe	5.60	5.56
BAA	3.77	3.77
Brit Airways	1.53	1.52
British Gas	2.37	2.40
BP	3.12	3.07
British Steel	1.29	1.27
Brit Telecom	2.99	3.02
BTR	3.75	3.65
Burmah Oil	5.67	5.62
Cable Wire	5.10	5.14
Cadbury Sch	3.65	3.57
Charter Cons	4.63	4.60
Comm Union	5.20	5.08
Cookson	1.18	1.16
Courtaulds	3.63	3.62
Dalgety	3.78	3.79
De Beers	10.91	10.47
Dixons	1.47	1.43
Driefontein	5.20	N.Q.
Eurotunnel	4.85	4.85
Fisons	4.21	4.15
Gen Acc F	5.40	5.35
GEC	2.04	2
GKN	3.61	3.58
Glaxo	9.61	9.55
Grand Met	7.37	7.36
Gt Univ Stores	14.35	14.25
GRE	2.17	2.11
Guinness	7.99	8.04
Hanson Tr	2.15	2.15
Hawker Sidd	5.10	5.07
ICI	10.16	9.97
Kingfisher	4.03	4.01
Land Sec	5.62	5.58
Legal Gen Grp	4.03	3.95
Lloyds Bank	3.31	3.23
Lonrho	2.16	2.08
Lucas Ind	1.56	1.48
Marks Sp	2.37	2.34
Maxwell	1.51	1.48
MB Group	1.87	1.87
Midland Bk	1.78	1.73
NatWest	3	2.94
Pearson Grp	7.85	7.05
P and O	5.62	5.62
Pilkington	1.89	1.89
Prudential	2.20	2.16
Racal Elec	1.93	1.91
Randfontein	1.72	N.Q.
Rank Org	6.90	6.80
Reed Int'l	4.05	3.97
Reuters	7.95	7.90
Rolls Royce	1.55	1.54
Royal Dutch	N.Q.	
RTZ	4.95	4.96
Saatchi	0.24	0.23
Sainsbury	3.32	3.34
Sears Holds	0.92	0.92
Shell	4.62	4.57
Siebe	6.76	6.78
STC	3.15	3.15
Std Chart Bk	2.20	2.15
Storehouse	1.13	1.19
Sun Alliance	3.74	3.68
Tate and Lyle	3.18	3.20
Tesco	2.36	2.32
Thorn EMI	6.73	6.67
T.I. Group	4.52	4.48
Trafalgar Hse	2.41	2.39
THF	2.57	2.52
Ultramar	3.19	3.16
Unilever	7.30	7.25
Utd Biscuits	3.63	3.59
Vickers	2.10	2.06
War Loan 3½	35.75	N.Q.
Wellcome	5.02	4.95
Woolworth	N.Q.	
F.T. 30 Index : 1842.50 Previous : 1824.50 F.T.S.E. 100 Index : 2318.30 Previous : 2296.90		
Madrid		
Bco. Bilbao/Viz.	2910	2875
Banco Central	4435	4400
Bco. Santander	5080	4890
Banesto	3820	3700
CEPSA	1885	1875
Dragados	2900	2785
Iberduero	717	718
Telefonica	919	915
S.E. General Index : 256.98 Previous : 252.03		
Milan		
Banca Comm	4550	4440
Bastogi	280	276
Cigahotels	2830	2610
CIR	2410	2470
Cred Ital	2640	2630
Enimont	1565	1598
Eridania	7515	7189
Ferruzzi Fin.	2375	2270
Ferruzzi Agr.	70.50	N.Q.
Fiat SPA	5430	5370
Generali	35550	34850
IFI	14780	14200
Italcem	21900	21200
Italgas	2868	2756
Italmobiliare	73750	70500
Mediobanca	15925	15400
Montedison	1510	1467
Olivetti	3550	3540
Pirelli	1635	1620
RAS	18500	18000
Rinascente	5865	5750
Saipem	1450	1330
SIP	1405	1348
SME	2976	2886
Snia	1590	1528
Standa	33000	32000
Stet	2350	2175
Toro Assi Risp	22400	21800
MIB current Index : 1114.00 Previous : 1082.00		
Montreal		
Alcan Aluminum	24⅝	24¼
Bank Montreal	34⅛	34
Bell Canada	47⅝	47¼
Bombardier A	18	18
Bombardier B	14⅝	14⅝
Cambior	9⅝	9⅝
Cascades	4½	4½
Dominion Text A	7⅛	7
Donohue	12	N.Q.
MacMillan Bl	19¼	19
Memotec	8⅝	8⅝
Nat'l Bk Canada	9⅝	9¼
Power Corp.	17¾	17⅝
Provigo	11⅛	11⅛
Quebec Tel	15½	15½
Quebecor A	18¼	18½
Quebecor B	16¼	16⅝
Videotron	13⅝	13⅝
Industrials Index : 1428.35 Previous : 1397.34		
Paris		
Accor	738	701
Air Liquide	675	669
Alcatel Alsthom	581	569
Avions Dassault	452	461
Bancaire (Cie)	543	525
BIC	616	617
Bongrain	2490	2500
Bouygues	551	540
BSN-GD	805	796
Carrefour	3570	3440
Cerus	123	117.50
Chargeurs	774	789
Club Med	459	440
Elf-Aquitaine	293.20	290.20
Europe 1	1166	1159
Gen. Eaux	2430	2350
Hachette	205	199
Havas	471.50	460
Imetal	264	265.50
Lafarge Coppee	375.90	375
Legrand	3760	3720
Oreal (L')	515	503
L.V.M.H.	3600	3550
Matra	265	269
Merlin Gerin	553	539
Michelin B	84.20	80.40
Moulinex	94.50	92
Occidentale	705	706
Paribas	465.70	459.70
Pernod-Ricard	1125	1115
Perrier	1385	1347
Peugeot	505	482
Printemps (Au)	599	589
Radiotechnique	324	300.10
Raff. St. Louis	1363	1338
Redoute (La)	3580	3550
Roussel Uclaf	1755	1760
Saint Gobain	392.40	388.60
Sanofi	800	785
S.E.B.	1232	1210
Skis Rossignol	679	650
Ste Generale A	410	411
Suez	298.50	295.40
Telemecanique	4500	4500
Thomson-CSF	130.50	128.90
Total	628	624
Valeo	394	368
CAC 40 Index : 1694.96 Previous : 1670.39		
Sao Paulo		
Banco do Brasil	42	42
Bradesco	5	5.15
Brahma	23.80	24.40
Paranapanema	2	1.93
Petrobras	560	550
Vale Rio Doce	98.50	95.30
Varig	18.50	18.50
Bovespa Index : 63049 Previous : 61965		
Singapore		
City Dev.	3.16	3.12
DBS	10.60	10
Fraser Neave	8.05	7.85
Harrisons Plant	1.46	1.39
Haw Par	2.47	2.36
Hume	3.76	3.64
Inchcape	4.24	3.94
Keppel	6.70	6.50
KL Kepong	2.85	2.70
Lum Chang	1.12	1.08
Malayan Banks	4.56	4.46
OCBC	8.30	8.05
OUB	5.25	5.20
OUE	6.90	6.55
Sembawang	6.50	6.45
Shangrila	6.15	5.98
Sime Darby	2.82	2.80
SIA	11.70	11
S'pore Land	5.90	5.90
S'pore Press	8.05	8
Sing Steamship	2.90	2.85
Straits Trading	2.71	2.69
UOB	6.60	6.45
United Overseas	1.58	1.55
Straits Times Ind. : 1378.12 Previous : 1338.70		
Stockholm		
AGA	245	260
Alfa Laval	250	250
Asea	605	599
Astra A	447	442
Atlas Copco	191	183
Electrolux B	187	185
Ericsson	189	184
Esselte-A	112	112
Handelsbanken	129	126
Norsk Hydro	178	178
Procordia AF	155	155
Saab-Scania	200	210
Sandvik	255	260
SCA-A	110	110
S-E Banken	44.50	45.50
Skandia F	170	145
Skanska	378	365
SKF	88	87
Stora	295	295
Affarsvarlden Index : 939.28 Previous : 934.79		
Sydney		
ANZ	3.60	3.48
BHP	10.55	10.35
Boral	3.81	3.71
Bougainville	0.68	0.74
Coles Myer	9.10	8.96
Comalco	4.05	3.95
CRA	10.85	10.45
CSR	5.22	5.10
Dunlop	5.42	5.22
Elders IXL	0.49	0.48
ICI Australia	3.85	3.78
Magellan	2.05	2.05
MIM	1.66	1.59
Nat Aust Bank	6.36	6.14
News Corp	7.52	7.28
N Broken Hill	2.03	1.94
Poseidon	1.35	1.32
QCT Resources	1.10	1.10
Santos	3.65	3.61
TNT	1.47	1.41
Western Mining	4.62	4.49
Westpac Banking	4.14	4.05
Woodside	2.90	2.87
All ordinaries Index : 1379.30 Previous : 1376.60		
Tokyo		
Akai Electr	695	680
Asahi Chemical	803	780
Asahi Glass	1310	1280
Bank of Tokyo	1220	1190
Bridgestone	1150	1100
Canon	1460	1430
Casio	1140	1160
C.Itoh	763	731
Dai Nippon Print	1650	1590
Daiwa House	2070	2020
Daiwa Securities	1450	1430
Fanuc	5220	5000
Fuji Bank	2500	2510
Fuji Photo	3700	3590
Fujitsu	1210	1130
Hitachi	1340	1270
Hitachi Cable	1050	1000
Honda	1420	1400
Ito Yokado	4070	4020
Japan Airlines	1200	1140
Kajima	1650	1610
Kansai Power	3060	2940
Kawasaki Steel	465	435
Kirin Brewery	1580	1500
Komatsu	1020	958
Kubota	767	740
Kyocera	6740	6650
Matsu Elec Inds	1850	1830
Matsu Elec Wks	1460	1640
Mitsubishi Bk	2440	2390
Mitsubishi Kasei	631	615
Mitsubishi Elec	800	754
Mitsubishi Hev	849	888
Mitsubishi Corp	1400	1370
Mitsui and Co	807	767
Mitsukoshi	1250	1230
Mitsumi	1380	1360
NEC	1610	1530
NGK Insulators	1260	1170
Nikko Securities	1050	1010
Nippon Kogaku	1360	1300
Nippon Oil	1050	1000
Nippon Steel	514	485
Nippon Yusen	655	625
Nissan	770	757
Nomura Sec	2170	2100
NTT (SF)	10323	9573
Olympus Optical	1110	1070
Pioneer	5140	4870
Ricoh	850	810
Sanyo Elec	675	637
Sharp	1470	1410
Shimazu	829	809
Shinetsu Chem	1490	1380
Sony	7090	6820
Sumitomo Bk	2360	2290
Sumitomo Chem	563	554
Sumi Marine	1060	1020
Sumitomo Metal	504	476
Taisei Corp	1040	984
Taisho Marine	1050	1040
Takeda Chem	1810	1760
TDK	5300	4850
Teijin	585	568
Tokio Marine	1400	1380
Tokyo Elec Pw	4240	4020
Toppan Printing	1510	1460
Toray Ind.	671	640
Toshiba	890	828
Toyota	1820	1770
Yamaichi Sec	1030	1000
Nikkei 225 : 26239 Previous : 25344 Topix Index : 1955 Previous : 1896		
Toronto		
Abitibi Price	14¼	14⅝
Agnico Eagle	5⅞	5⅝
Air Canada	9⅝	9½
Alberta Energy	16⅛	16⅜
Am Barrick Res	23	22⅝
BCE	43⅝	43⅛
BCED	8.12	N.Q.
Bk Nova Scotia	14⅜	14⅛
BC Gas	15	15
BC Phone	20¼	20⅜
BP Canada	16	15⅞
Bramalea	8⅝	8½
Brunswick	N.Q.	9
CAE	6	5⅛
Campeau	0.45	0.49
CIBC	30⅞	30⅝
Canadian Pacific	22⅞	22¾
Can Packers	13¼	13¼
Can Tire A	24½	24⅛
Cantor	23¾	23
Cara	N.Q.	16¼
CCL Ind B	9⅝	9⅝
Cineplex	3	3.05
Cominco	25½	25⅛
Conwest Expl A	N.Q.	14
Corona A	5	4.90
Denison Min B	0.65	0.55
Dickenson Min A	N.Q.	—
Dofasco	20¼	19⅞
Dylex A	3.40	3.40
Echo Bay Mines	9½	9
Equity Silver A	1	0.90
FCA Int'l	N.Q.	—
Fed Ind A	9⅝	9⅝
Fletcher Chall A	17	16¾
FPI	6⅞	6⅝
GoldCorp	3½	3.55
Gulf Cda Res	9⅝	9⅝
Hees Int'l	19¼	19
Hemlo Gld Mines	9½	9¼
Hollinger	14⅝	14½
Horsham	9⅝	9½
Hudson Bay	26⅞	N.Q.
Imasco	28½	28½
Inco	36½	36
Interhome	48½	48½
Jannock	14⅞	14⅞
Labatt	23¼	23⅞
Loblaw Co	18¼	18½
Mackenzie	8½	8½
Magna Int'l A	4.85	4.90
Maritime	19⅞	19⅝
Mark Res	8	N.Q.
MacLean Hunt X	10⅝	11
Maison A	39½	39¼
Noma Ind A	6⅞	7
Noranda	18⅛	18¼
Noranda Forest	8⅝	N.Q.
Norcen Energy	23¼	23
Nova Corp	9¼	9⅛
Oshawa	35⅝	34⅞
Pagurin A	6⅞	6⅝
Placer Dome	16⅞	16⅝
Poco Petroleum	7	7
PWA Corp	9⅛	9⅛
Quebec Sturgeon	N.Q.	0.32
Rayrock	N.Q.	7¼
Renaissance	16	16
Rogers B	8⅝	8
Rothmans	52¼	51½
Royal Bank Can	24⅞	24⅞
Royal TrustCo	8	8
Sceptre Res	3.65	3⅝
Scott's Hosp	16½	16½
Seagram	109¾	108⅝
Sears Can	10½	10⅛
Shell Can	39⅝	39⅝
Sherritt Gordon	7⅛	7¼
SHL Systemhse	6	6
Southam	20⅝	20⅝
Spar Aerospace	13	13¼
Stelco A	10¼	10⅛
Teck B	21⅞	21⅝
Thomson News	16⅞	17
Toronto Domn	19⅝	19
Torstar B	27	27⅝
Transalta Util	13⅛	13½
TransCda Pipe	17⅛	17⅛
Trilon Finl A	11⅛	11⅛
Trimac	7⅛	7⅛
Trizec A	17	16⅞
Turbo Resources	3.85	3.80
Unicorp A	N.Q.	0.55
Woodward's Ltd	2.10	2.20
TSE 300 Index : 3536.09 Previous : 3504.70		
Zurich		
Adia Int'l	750	800
Alusuisse	1075	1065
Leu Holdings	1710	1190
Brown Boveri	4420	4320
Ciba Geigy	2760	2700
CS Holding	1920	1880
Elektrow	2750	2750
Fischer	1445	1405
Interdiscount	3050	2980
Jacobs Suchard	7550	7520
Jelmoli	1550	1550
Landis Gyr	1080	1060
Moevenpick	4700	4400
Nestle	8050	7970
Oerlikon-B	495	496
Pargesa Hld	1080	1060
Roche Holding B	N.Q.	4080
Safra Republic	74	74
Sandoz	2090	2090
Schindler	5250	5100
Sulzer	404	403
Surveillance	6400	6220
Swissair	745	750
SBC	324	322
Swiss Reinsur	404	405
Swiss Volksbank	1395	1350
Union Bank	3390	3330
Winterthur	4100	4100
Zurich Ins	2210	2210
SBS Index : N.Q. Previous : 574.20		

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مكتبة الأهرام

هكذا من الاصل

Japan's Money Growth Slows

Compiled by Our Staff From Dispatches

TOKYO — Japan's money supply growth fell to its slowest pace in nearly six years in January, the strongest evidence yet that the Bank of Japan has gained the upper hand in its long-fought battle with a key inflationary factor.

Japan's broad measure of money supply expanded 7.3 percent in January from a year earlier, slowing from a revised 8.5 percent growth rate in December, the central bank announced. It attributed the slowdown mainly to slower growth in lending and a reduction in commercial paper issuance.

Economists said that while the data was largely good news, inflationary pressures remained too strong for the central bank to consider an immediate easing of interest rates.

Indeed, the Bank of Japan absorbed 1.3 trillion yen ($10 billion) from the money market Monday in an apparent effort to cool expectations of a rate cut.

An official at the central bank said that money growth was slowing, but added that money supply outstanding was still high considering real economic activity.

Japan has been reducing money supply growth steadily since it peaked at 13.2 percent in April and May last year. The 7.3 percent growth rate in January was the lowest since March 1985, when the rate was 7.9 percent.

The latest data "are clearly a welcoming sign for the BOJ," said Paul Summerville, economist at Jardine Fleming Securities Ltd. in Tokyo. "It is further evidence that tight BOJ credit policy is having its desired effect."

The central bank has raised Japan's discount rate five times to 6 percent since early 1989.

Faced with higher costs of funds, banks have cut lending growth by about 30 percent over the past year, economists said.

The government also has used administrative guidance to slow the pace of bank lending. Though the guidance was designed to take the steam out of Japan's real estate market, slower money growth has been an attractive side effect.

"Cutbacks in real-estate lending have been a big help in controlling money supply," said Chiharu Sumita, an economist at UBS/Phillips & Drew International Ltd.

In addition, narrowing interest-rate spreads have forced some major Japanese corporations to abandon the practice of raising funds by issuing commercial paper and reinvesting the funds in the large-scale deposits that are covered by the money-growth figures.

Economists also said that a shift of investment funds from the government postal savings system, which is not counted in the money supply, to higher-interest money market accounts, which are counted, had subsided and may even have reversed. That shift had added as much as four percentage points to money growth last year.

Economists said that although money supply growth was well below the 8 percent level the Bank of Japan is thought to favor, the central bank is unlikely to celebrate with an immediate easing of interest rates.

"The BOJ is going to want to receive a clear signal from both consumer and wholesale prices before it considers a discount rate cut," Mr. Sumita said.

Tokyo consumer prices rose by 4.2 percent in January, the highest year-on-year inflation rate since December 1981. *(Reuters, AFP)*

Vietnam's Gains Slip Away

By Steven Erlanger
New York Times Service

HO CHI MINH CITY — Last year, the lunar new year, Tet, featured the most lavish parties in Vietnam in a decade, with new private wealth lavished on friends and firecrackers. The nation had a lot to celebrate: the withdrawal of Vietnamese troops from Cambodia, economic and agricultural reforms and a halt to years of wild inflation.

This year, Tet, which fell on Feb. 15, was somber, with little spent on imported explosives, and for good reason. "Dear comrades, 1991 is the year we will face unprecedented challenges," Prime Minister Do Muoi recently told the national assembly. A Western banker here put it more bluntly: "1991 looks like a disaster for Vietnam."

Many of the economic gains so evident last year have been undermined by political indecision, infighting and corruption. The collapse of socialism in Eastern Europe, the Chinese confrontation in Tiananmen Square and the chaos in the Soviet Union have frightened Vietnam's aging leaders.

Many of the economic gains have been undermined by political indecision, infighting and corruption.

The Politburo has stalled economic reforms begun in late 1987. Vietnam still seeks foreign investment, but foreigners now see increased risks.

Vietnam's prospects for foreign assistance are dim. It is still isolated by an American-led embargo on investment and aid. The Soviet Union, preoccupied with its own chaotic transformation, has set Hanoi adrift economically.

During the last five-year plan, through 1990, the Soviet Union provided cumulative aid, trade credits and investment of at least 9 billion rubles (about $16 billion at official rates). This year, Moscow will reduce aid by at least half, with further cuts coming.

The Soviet Union has historically provided Vietnam with 90 percent of its fuel and steel and 80 percent of its fertilizer and cotton at friendly prices and credit terms — no hard currency required.

But last year, Soviet supplies fell as much as 50 percent short of Moscow's promises. As of Jan. 1 this year, the whole strange socialist system of convertible rubles and Comecon trade credits was discarded.

The Soviets will still accept barter goods from cash-poor Vietnam, but all trade is now denominated in hard currency at world prices.

Oil alone, a Western banker says, will cost Vietnam an extra $250 million this year, even at prices prevailing before Iraq's invasion of Kuwait.

The Soviet Union will continue to supply Vietnam with oil products, steel, fertilizer, trucks and cotton, in return for rice, rubber, tin, tea and cheap manufactured goods like shirts made with Soviet cotton.

But the Soviets are no longer willing to subsidize Vietnam by accepting products and commodities of poor quality. They have cut contracts by up to 60 percent, forcing the Vietnamese to try selling in a much more particular world market.

At the same time, nearly everything Vietnam imports is going up in price, while nearly everything it exports is going down. In 1989, a ton of Vietnamese rice bought a ton of fertilizer. In 1990, it took two tons of rice. A ton of medium-quality rice sold for $240 in 1989, the first year Vietnam had surplus rice to sell; it is now down to $165.

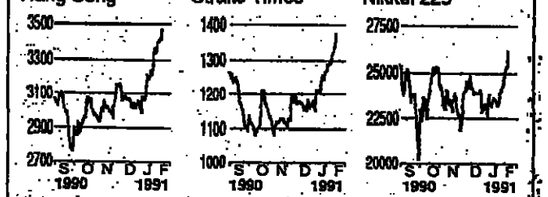
The price of coffee is down 30 percent in the last 18 months; prawns and other seafood glut world markets; the prices of rubber and vegetable oil are also down.

Vietnam, a small oil producer in a joint venture with Moscow, has granted licenses to 10 foreign oil companies to explore for more. Oil represents the vast majority of actual foreign investment in Vietnam and nearly 40 percent of intended investment. But without a refinery, Vietnam must still pay more to import oil products than it will make from the 24 million barrels of crude it expects to produce this year.

Hoping for a huge oil strike, Hanoi has granted offshore leases to companies including British Petroleum, Shell and Total of France. Mobil, among the first to discover offshore oil here before 1975, wants the embargo lifted so it can return. The Vietnamese say they are holding Mobil's original exploration areas in reserve.

Like most countries, Vietnam shows its best face to attract foreign investment. "In return," said Vo Dong Giang, vice chairman of the State Committee for Cooperation and Investment, "we offer cheap minerals and cheap labor."

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3473.42	3412.66	+1.78
Singapore	Straits Times	1378.13	1338.70	+2.95
Sydney	All Ordinaries	1399.30	1376.60	+1.65
Tokyo	Nikkei 225	26230.01	25343.74	+3.50
Kuala Lumpur	Composite	545.96	527.60	+3.48
Bangkok	Book Club	725.46	683.96	+6.07
Seoul	Composite Stock	674.09	644.91	+4.52
Taipei	Weighted Price	Closed	4729.65	-
Manila	Composite	885.10	874.71	+1.19
Jakarta	Stock Index	Closed	382.27	-
New Zealand	Barclays	1404.29	1374.70	+2.15
Bombay	National Index	Closed	526.75	-

Sources: Reuters, AFP International Herald Tribune

TNT Profit Fell 68% In Half Ended Dec. 31

Compiled by Our Staff From Dispatches

SYDNEY — TNT Ltd. reported a 68 percent drop in profit for the six months ended Dec. 31, blaming the fall on Australia's recession, the cost of expansion in Europe and a lower contribution from South American operations.

The international transportation group said net profit fell to 26.80 million Australian dollars ($21 million), including a 22.58 million dollar foreign-exchange loss. Sales rose almost 10 percent, to 2.45 billion dollars.

Chief Executive Sir Peter Abeles said these were "outlandishly difficult times" and he believed the full year's result would be down on last year, although he refused to say how much. The company earned 139.9 million dollars in 1989-90.

Sir Peter said he believed that the recession would continue at least for the rest of 1991.

TNT said overall profit dropped despite higher contributions from its wholly owned courier service TNT Skypak and from associate companies such as the Australian domestic airline Ansett.

While revenue from operations in Australia, Canada and South America fell due to worsening economic conditions, it rose in the United States, Britain and Europe.

Sir James repeated the forecast made by TNT Chairman Fred Millar in January that net profit in the financial year that ends June 30 would be below last year's 140.75 million dollars.

TNT said Australian operations, although profitable, would make a lower contribution to full-year profit than in the previous financial year.

The company's airline division, including 50 percent-owned Ansett, made a modest operating profit compared with a loss one year earlier, which was caused by a domestic pilots' dispute. *(Reuters, AFP)*

3 Nations Join To Promote Asia 'Triangle'

Reuters

KUALA LUMPUR — Malaysia and Indonesia have agreed to set up a joint committee to boost development of a Singapore-proposed economic tie between the three nations.

Malaysia's official Bernama news agency said agreement on the committee, which will involve private-sector officials, was finalized by Research and Technology Minister Bacharuddin Yusuf Habibi of Indonesia and the chief minister of Malaysia's southern Johore state, Muhyiddin Yassin. The agency gave no details of the pact.

Under the plan, Singapore will form an economic "growth triangle" with Johore and Indonesia's Riau Islands. Singapore, which suffers from a labor shortage, has been encouraging foreign companies to relocate their labor-intensive operations to Johore and the Riau Islands.

The first link in the triangle was made when Singapore signed a memorandum of understanding with Indonesia in December 1989 for the exchange of material and personnel in broadcasting and information.

Japanese Survey Sees Slow Capital Spending

The Associated Press

TOKYO — Capital investment in Japan is expected to slow dramatically in the coming year — with investment by manufacturers actually declining — because of the Gulf war and the ailing U.S. economy, according to a survey published Monday.

Domestic capital investment in fiscal year 1991, which begins April 1, is estimated to be 1.49 trillion yen ($11.5 billion), up only 1.6 percent from fiscal 1990, the Nihon Keizai Shimbun reported.

That would be the lowest growth in capital investment since a rate of 1.1 percent in 1987. Capital investment grew by 16.7 percent in fiscal 1990, 15.4 percent in fiscal 1989 and 16.3 percent in fiscal 1988.

The newspaper, the nation's leading financial daily, said the results came from a survey of 1,121 major Japanese companies.

Capital investment in the manufacturing sector was expected to decline by 1 percent. In fiscal 1990, capital investment by manufacturers grew 22 percent, down slightly from 24 percent in 1989 and 30 percent in 1988.

Capital investment in other sectors is estimated to grow by 3.9 percent over 1990, the report said.

"Even with a peaceful settlement of the Gulf war, companies would worry about other factors such as the slowing of the U.S. economy and tighter domestic monetary policy," it said.

Companies also face higher capital costs because of rising interest rates and falling share prices since the beginning of 1990, it said.

For Australia's Gold Industry, Things Aren't Panning Out

Reuters

SYDNEY — Australia's gold rush is over.

An industry intoxicated during the 1980s by high prices and booming investment is having to face up to a sober future.

"The glimmer is gone," said Umit Safak, resources analyst at Dominguez Barry Samuel Montagu. "The euphoria of the 1980s about the gold price and gold exploration is gone."

Sagging bullion prices, an expected sharp fall in production and the removal of the industry's long-standing exemption from company tax has tarnished the outlook and sent prices of Australian gold stocks plunging.

Australia is the western world's third-largest gold producer, behind South Africa and the United States.

The stock market's gold index has dropped almost 46 percent in the past 12 months, as investors shy away from all but the bluest-chip miners.

Analysts said investors were disappointed that the price of gold, traditionally a safe haven for investors, failed to surge on the outbreak of the Gulf war in January.

"Deregulation of markets has made gold less attractive as a safe haven in times of crisis or economic gloom," Mr. Safak said. "And because of forward sales contracts and hedging, only about 50 percent of gold is sold on the spot market."

In 1980, Australia produced only 17 metric tons of gold but after 10 years of rapid growth the precious metal has become the nation's third-biggest export earner, behind wool and coal.

Although analysts say output for the 12 months ending June 30, 1991, will top 200 metric tons with the value of exports forecast at 3.3 billion Australian dollars ($2.5 billion), projections for the rest of the '90s are bleak.

"In the absence of major new discoveries Australian gold production will fall and fall quickly," said John Quinn, chief executive of Newmont Australia Ltd, the nation's biggest pure gold producer. "It could halve over the next five to 10 years."

The government's Australian Bureau of Agriculture and Resource Economics estimates that output will peak at 228 tons in the current financial year and decline to 170 tons by the year ending June 30, 1996.

Mr. Quinn said Australia's production could slump to around 115 tons within 10 years because of the removal this year of tax concessions on gold mining profits and the lack of major new discoveries.

"The gold tax is a major disincentive to exploration, it's mitigating against discoveries that the country needs just to sustain itself, let alone expand," Mr. Quinn said.

Australia is one of the world's lowest cost gold producers, with some mine costs as low as 250 Australian dollars an ounce, compared with the average 1990 price of gold of around 540 Australian dollars.

RUN: *Withdrawals by Institutions, Not Individuals, Threaten U.S. Banks*

(Continued from first finance page)

fallen by half and unemployment had risen to 25 percent.

Yet not only in the 1930s, but also in the bank panics of 1890 and 1837, Mr. Rockoff said, a powerful psychology was unleashed that quickly fed on itself and operated independently of the underlying causes that started the bank run.

It is this contagious spiral of unreason that the modern system of bank regulation is designed to stop, and in recent years the government has done reasonably well in putting that system to work.

For the last decade, Alan Whitney, the director of communications for the FDIC, has traveled across the country, helping to shut down failed banks.

When the government seized a failed bank, customers were sometimes confused about the arrangements, but rarely were account holders panicked, or did they force the government to close a bank quickly by making a run on deposits, he recalled. The Bank of New England was the big exception.

"People have gotten used to the idea that banks can fail, and that their funds are safe and they have access to their accounts," Mr. Whitney said.

That the government stands behind federally insured deposits was also underscored from the savings and loan crisis, which has proved costly for taxpayers but generally not for depositors.

Ordinarily, large institutional depositors use banks as a place to park their spare cash by putting it in short-term certificates of deposit and the commercial paper of bank holding companies. Typically, their holdings at a bank exceed $100,000.

For their part, the big money-center banks and large regionals are generally much more dependent on these sources of short-term money than small banks, which tend to rely mainly on the deposits of individual savers.

Even among big banks, the situation can vary considerably, however. The failure of Continental Illinois Bank & Trust in 1984 was a result of a global run on its deposits. Continental had depended on short-term deposits made by large institutions from around the world. But those depositors fled fast once the Chicago bank's bad loans led to earnings problems.

But when the Bank of America ran into earnings troubles in 1987, it did not suffer a run. "Bank of America never lost its faithful California depositors," said Christopher Mahoney, a bank analyst for Moody's Investors Service. "Having retail deposits makes a bank much less sensitive to confidence problems."

Now as the financial position of many banks has weakened, the big customers have pulled back.

Money market mutual funds, for example, cut their holdings of bank certificates of deposit by more than half, to $15.9 billion, in 1990, according to the Investment Company Institute.

The American bank holdings of major foreign depositors like Japan and Taiwan have been sharply trimmed. During the first nine months of 1990, Japan cut its holdings in U.S. banks by $19.3 billion, to $92.5 billion, according to the Treasury Department. Over the same period, Taiwan reduced its American bank holdings by $7.1 billion, to $12.5 billion.

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ALCATEL ALSTHOM

Alcatel Alsthom Compagnie Générale d'Électricité announced preliminary 1990 consolidated sales of FF 144.2 billion, as compared to FF 143.9 billion in 1989.

New advances achieved in 1990 sales and earnings

This relatively stable performance reflects two contrasting factors:

■ sales growth of approximately 4% on a comparable structure basis. On a constant exchange rate basis, sales would have increased by about 6%, in line with forecasts made a year ago;

■ a decrease in sales resulting from the structural changes of the past two years; in particular, Framatome and CGE-Distribution are accounted for by the equity method since July 1, 1990; this resulted in a FF 6 billion decrease in billings in the second half of the year, partly offset by full consolidation of Générale Occidentale since April 1, 1990. In addition, sales of GEC Alsthom in the Energy and Transportation sector were consolidated on a proportional basis (50%) throughout 1990, while in the first quarter of 1989 Alsthom's sales were fully consolidated, and generated an appreciably higher contribution to consolidated revenues.

By sector, 1990 and 1989 sales break down as follows:

(In FF million)	1990	1989
Energy and transportation	22,235	25,739
Electrical engineering	15,272	13,617
Batteries	5,360	4,967
Telecommunications, business communications, cables	93,131 (1)	89,801
Other activities	10,338	13,037
Inter-group sales	(2,182)	(3,264)
TOTAL	144,154	143,897

(1) of which: Public network systems, 39%; Business communications, 22%; Cables, 27%; and Other, 12%.

Orders booked during 1990 are valued at approximately FF 157 billion, or 9% above sales for the year. As a result, backlog rose by a highly satisfactory 12% over the year, from FF 110 billion (excluding Framatome) at 1989 year end to FF 123 billion at 1990 year end.

Group earnings will be announced following the early April meeting of Alcatel Alsthom's Board of Directors. According to the latest estimates, the Group's net margin, excluding changes in accounting method, improved appreciably in 1990, and growth in earnings per share should at least match the 17% increase achieved in the first half of 1990.

Compromise doesn't sit well with the business community of the 90s. Today, time is of the essence. Budgets are tight. Staffs are lean. You don't get to choose between saving time or saving money, you're expected to do both. Fortunately, there's an aircraft that's up to the task — the uncompromising Learjet 31A.

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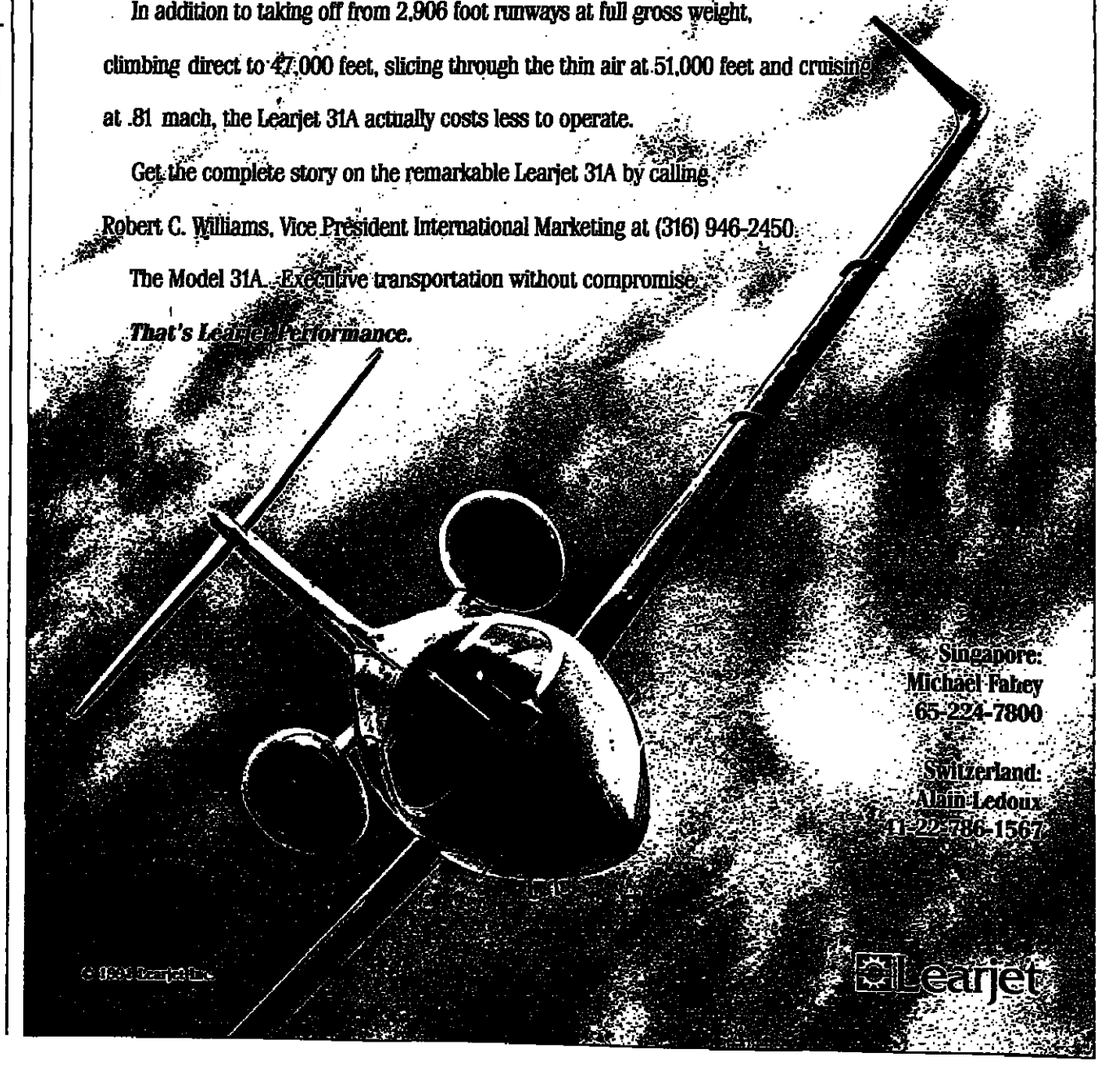


Singapore:
Michael Fahey
65-224-7800

Switzerland:
Alain Ledoux
41-22-786-1567

Learjet

SPORTS

London's Monarchs Are Trying Out Some American Moves

By William E. Schmidt
New York Times Service

LONDON — Several young women said they had seen a bit of American football on television, though they didn't have the foggiest what all the smashing and bashing was about. Fewer still knew what a cheerleader was or was supposed to do.

But more than 80 of London's fittest gathered inside a chilly gymnasium on Saturday afternoon, hoping to kick their way to a place on the Crown Jewels, an all-British version of the Dallas Cowgirls and the official cheerleading squad of the London Monarchs.

The Monarchs are Britain's entry in the World League of American Football, a new 10-team professional league that is to begin its 10-week, trans-Atlantic season March 23. In addition to seven North American teams there are entries from Barcelona and Frankfurt.

"In the newspapers, it said they were looking for dancers," said Jane Elvy, a theatrical promoter from the West End. Did she know anything about American football?

"I think American football is, I don't know," she said. "But isn't there more personality to it? I don't know. It's more aggressive, isn't it?"

Another woman, who said she was Italian and named Roberta, had never actually seen a game, but said she liked to dance and once dated a man who said he played for the Philadelphia Eagles.

Since the first National Football League teams came to Britain in 1983, for what has become an annual exhibition game known as the American Bowl, the sport has been slowly catching on.

There are 27 semiprofessional teams, like the West London Aces, the Essex Buccaneers and the Blackpool Falcons, which play full schedules each fall in a league sponsored by Coca-Cola.

The Super Bowl and some other playoff games are telecast live, and highlights of NFL games are a regular weekly feature on British television during the season. Last fall, a British cable television network carried all of Notre Dame's games.

"I have some neighbors who think I'm a bit daft, but I really love the sport," said Bob Kiralfy, who is the assistant general manager of the West London Aces. He said he liked American football because it was intricate, like chess. "Explosive chess, is the way I describe it to people," he said.

Along with football, cheerleading, too, has begun to catch on. Teams like the Aces, for example, have their own squad, which includes two of the Kiralfy's daughters, outfitted in brown on white pleated skirts that could have come straight off a Big Ten campus.

To select the Crown Jewels, the team's management hired Jay Horvath, a California woman who helped choreograph events at the Olympic Games and the Super Bowl. Wearing a gold and blue Monarchs jersey and dark leotards, Horvath took the women through the paces.

"We want the headlines in tomorrow's London papers to read, 'Those girls can jam!' " she said, as she kicked and swiveled herself, shouting over the loud bass beat.

Horvath and her aides reduced the starting field of 80 women to about 30. She said they will select the final squad of a dozen this week.

With the opening game only five weeks away, the cheerleaders' roster isn't the only one the Monarchs haven't completed. The team itself has not been put together, because the league draft to select players is still under way in Orlando, Florida. Players will gather for their first workouts here in mid-March, just before the Monarchs' opener on March 23 against the Frankfurt Galaxy.

Nick Priesthall, the Monarch's marketing director, said the team also has not settled on marching bands and a mascot. So far, the thinking is to have what he called "a kind of bearded, Arthurian figure" as a mascot. He will carry a large shield which will be use to reflect lasers, beamed from around Wembley Stadium.

All of this — the bands, the mascot, the cheerleaders — is at the core of the Monarch's strategy to attract British spectators, at $16 to $40 a seat.

"This sort of thing doesn't exist in British sports," said Priesthall. "The idea is not only to give them top-drawer football, but spectacle."

Kiralfy, an early convert to American football, agreed that British sports could take a clue from the United States.

"All the action doesn't have to be on the field," he said. Then he stopped, and added as a second thought: "But even I have a hard time seeing cheerleaders at a cricket match."

Lendl Wins in a Slugfest Final

By Robin Finn
New York Times Service

PHILADELPHIA — They stared off and squared off from the baselines, clubbing away at their serves like two cavemen out to get dinner.

No one has ever accused Ivan Lendl or Pete Sampras of relying on finesse.

"With him you just go out on the court, and there's no nonsense going on, you slug it out, and the best man wins," said Lendl after a match Sunday that was one where determination and durability counted more than flash and dash.

Three hours and 20 minutes after it began, the top-seeded Lendl had avenged his five-set loss to Sampras in the U.S. Open quarterfinals by winning, 5-7, 6-4, 6-4, 3-6, 6-3, in the final of the U.S. Pro Indoor.

A somewhat abashed Sampras said Lendl, 30, made him feel a little like a pawn too often. Knowing that Sampras, besides possessing the fastest serve on the circuit, has an equally firm wrist on the volley, Lendl was careful to keep him at bay on the baseline.

"I thought I played pretty well, but he played better, and I accept defeat," said Sampras, who was outserved by Lendl, his onetime fitness mentor, 23 aces to 14 — including three to end the match.

"My game and my intensity kind of went up and down throughout the match, where he was at one speed all the way," said Sampras, 19. "It was too much for me. For five sets or 10 sets — he's just so strong, his groundstrokes are so heavy. I just wasn't used to that."

The title was Lendl's 89th; the defeat was the first for Sampras as a defending champion. Sampras, who in 1990 became the youngest U.S. Open champion in history, won his first professional title here a year ago.

Lendl also attributed Sunday's outcome to his consistency and to the younger man's tendency to take risks in search of quick winners. "That's the way Pete plays, he serves big and takes a lot of swings, and sometimes he hits four great shots in a row, and sometimes six that go nowhere," said Lendl, who methodically erased a one set, 1-4 deficit.

Sampras spurted ahead in the second set, but Lendl, who double-faulted at game point of the fourth game, plodded back.

He smashed a forehand down the line to break in the seventh game and went up 5-4 in the ninth with another running forehand that grazed the sideline.

Sampras, wincing at Lendl's passing shots and his own varying performance from the service line, began to feel pressured to deliver a parade of flawless first serves.

"If I don't get the first serve in, I'm going to have to stay back. And if I stay back he's going to run me from side to side and tire me out," Sampras said. "There aren't many guys who are more consistent from the baseline."

"If you start and finish in the same manner, stay at the same level throughout, you're in good shape," said Lendl, who believes his single-minded campaign to secure a Wimbledon title last year lowered his effectiveness on the rest of the surfaces he encountered on the tour. Now ranked third in the world, Lendl said he felt his tennis had improved since the U.S. Open.

■ Navratilova a Winner

Martina Navratilova, nervous after enduring knee surgery and seven months without a tournament victory, secured her first title since Wimbledon by defeating Zina Garrison, 6-1, 6-2, in Sunday's $350,000 Virginia Slims of Chicago, United Press International reported.

Garrison also was Navratilova's victim in the Wimbledon final last July, 6-4, 6-1.

"I was nervous as hell during the match," Navratilova said after winning her 153d singles titles. "Even though I've played in a lot of tournaments, I hadn't won one. I was beginning to think I'd never win again."

The Associated Press

The loser, Pete Sampras: "It was too much for me."

Todd Eldredge Skates To 2d Straight Title In the U.S. Nationals

Washington Post Service

MINNEAPOLIS — Figure skating, the gaudiest sport of all, turned a cold shoulder Sunday to its ultimate showman, Christopher Bowman, and rewarded the conservative son of a Massachusetts fisherman with his second consecutive U.S. championship.

Todd Eldredge, 19, skated an industrial-strength long program to overtake Bowman, who mugged for the cameras and mugged for the judges, but still came in second.

Eldredge's long program was ranked first by six of the nine judges. Bronze medalist Paul Wylie won with two of the judges and Bowman just one. Based on this, Eldredge leaped past Bowman, the leader after the original-program segment (worth a third of the total score) to win the men's title at the U.S. championships. All three will represent the United States at the world championships next month in Munich.

Eldredge performed seven triple jumps, but some were flawed. He stumbled out of a triple loop early in his program, but just before that he had completed the most difficult combination of the day — a triple axel, triple toe loop.

Bowman also performed seven triples, but backed off from a planned double axel and turned it into a single axel after a flurry of triples, including the most difficult of all, the triple axel.

"I kept telling myself, 'Be careful, be careful, just be careful,' " Bowman said. "I felt like all three wishes were used up with the triple axel."

SIDELINES

BOC Leader Martin Hits Iceberg

CAPE TOWN (Reuters) — John Martin of South Africa, the overall leader in the BOC round-the-world solo yacht race, may have to drop out after striking an iceberg in the south Atlantic, his spokeswoman said Monday.

Jeanne van Rooyen said Martin called her by radio early Monday to report that the spine of his boat, Allied Bank, appeared to have been cracked in two places in the collision 1,800 miles (2,900 kilometers) from Cape Horn. She said Martin was "heading north for calmer waters" and "will probably have to retire from this leg and head for Chile for repairs." Van Rooyen said no rescue operation would be mounted immediately.

Martin, overall leader after two legs of the race, was lying third on the leg between Sydney and Punta del Este, on a southerly course that could have boosted him ahead of the fleet but which carried a higher risk of ice. Frenchmen Alain Gautier on Generali Concorde and Cristophe Auguin on Groupe Sceta are first and second, respectively, on this leg.

South African Rugby Talks on Track

JOHANNESBURG (AFP) — Unity talks between the white-led South African Rugby Board and the black-led South African Rugby Union are back on track, officials of the African National Congress said Monday.

Two senior ANC sports officials, Steve Tshwete and Essop Pahad, said that they were convinced, after meeting with the union's president, Essop Patel, that the way was now open for the talks to resume. Patel broke off talks last month to protest a decision by the SARB's president, Danie Craven, to end a ban on foreign teams touring South Africa.

The ANC has been engaged in behind-the-scenes efforts to encourage the various sporting bodies to form single, non-racial federations in order to end an international moratorium on sports contacts with South Africa.

Becker Will Rest Leg for 4 Weeks

STUTTGART (AP) — Boris Becker will take a break of four weeks to heal the injury to his upper thigh, his manager, Ion Tiriac, announced Monday.

Becker gained the No. 1 ranking after winning the Australian Open for the first time in January. But he lost it back to Stefan Edberg after defaulting with a strained hamstring in Saturday's semifinals of the Donnay Indoor Championships in Brussels.

Blake Wins First PGA Tournament

LA JOLLA, California (Reuters) — Jay Don Blake birdied two of the last four holes Sunday to win the Shearson Lehman Brothers Open golf tournament for his first victory on the PGA Tour.

The 32-year-old Blake, a former national collegiate champion from Utah, shot a five-under-par 67 for a two-stroke margin over Bill Sander. Dan Forsman, who won here a year ago, finished third while Steve Pate, the third-round leader, struggled to a 74 and was five back.

For the Record

Michael Carbajal of the United States retained his International Boxing Federation light-flyweight title Sunday in Las Vegas when he knocked out Mexican challenger Macario Santos in the second round of a scheduled 12-round bout. *(AFP)*

Pioneer Electronic Corp., a major Japanese audio-visual equipment maker, said Monday it has signed a five-year sponsorship contract with Ferrari's Formula One racing team. *(UPI)*

Quotable

● Bob Matthews, the Rochester (New York) Times-Union columnist, on pitcher Jim Palmer's attempt at a major league comeback: "I think a 45-year-old man doing underwear commercials is even more amazing."

● Charles Barkley of the NBA Philadelphia 76ers, on criticism that, unlike the Los Angeles Lakers' Magic Johnson and the Boston Celtics' Larry Bird, he doesn't raise his teammates' play: "Who is it easier to make better — James Worthy, Kevin McHale or Jayson Williams?"

● Richard Branson, on what motivates a British tycoon to make the first hot-air balloon crossing of the Pacific from Japan to Canada: "Pure stupidity."

CHESS

By Robert Byrne

AFTER playing deftly to obtain a decisive advantage, Roman Dzindzichashvili, the New York grandmaster, lost the thread and had to work furiously to pull out the victory in a game with Alex Sherzer.

After 4 d4 in this Reti Opening variation, Black cannot keep a solid pawn center with 4...c6 because on 5 cd cd 6 Qb3 Qb6 7 Qb6 ab 8 d3, White's weakness-free endgame gives him the advantage.

Sherzer should have stopped 8 b4 with either 7...a5 or 7...e6. The way he played put up resistance to White's seizing queenside terrain.

Dzindzichashvili's pressure with 14 Bb2 virtually forced 14...e4, when 15 Nd4 Bg6 16 de Ne4 removed Black's key center pawn. After 17 Rad1 Rfe8 18 f3 Nef6 19 e4, White had the center all to himself, and with it, vastly superior piece mobility.

It didn't take White long to attack with 20 e5!, a pawn sacrifice that Sherzer left alone because 20...Ne5 (on 20...Nd5, 21 f4 starts a steamroller aimed at the black king) 21 Ne5 Qe5 22 Nc6 Qc7 23 Ne5! threatens to win a piece with 24 Ng6. He could find no other alternative but 20...b5 21 Na5 Ne5 22 f4 Neg4, which severely weakened the black queenside pawns.

Dzindzichashvili criticized his 23 h3, remarking that he should simply have won material with 23 f5 Bh7 24 Bc6. He thus permitted Sherzer to grab at a desperate straw with 23...Ne3, which at least forced his opponent to think rather than win routinely.

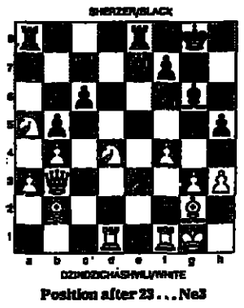
Dzindzichashvili should have captured with 24 Qe3 because 24...Bb4 25 Qc1 Ba5 26 f5 Bh7 27 Qg5 is very strong. For example, 27...Bb6 28 Kh2 Bd4 29 Bd4 Qd6 30 Bb2 Qe7 31 Rfe1 will cost Black his knight. Another example: 27...Qb6 28 Kh2 c5 29 Ne6! fe 30 Bf6 Qc7 31 Ba8 Ra8 32 fe creates the winning threat of 33 Rd7.

Instead, he chose 24 Ne6 fe 25 Qe3, which let Sherzer put up much more of a fight. While it is true that Dzindzichashvili came out with rook plus pawn for bishop after 25...Nd5 26 Qe6 Bf7 27 Qc6 Qb6 28 Qb6 ab 29 Nc6 Bf6 30 Bf6 Nf6 31 Ne7 Kf8 32 Ba8 Ra8, it was not a position in which he could relax. But he did so at once instead of choosing the careful 33 Rfe1, which would have preserved his material advantage because 33...Ra3? would fail against 34 Rd8 Be8 35 Nf5 Ra7 36 Nd6 Re7 37 Re7 Ke7 38 Re8 Ne8 39 Ne8 Ke8 40 Kf2, with a winning endgame.

In playing 33 Nf5?, Dzindzichashvili stated that he had overlooked 33...Be6. After 34 Nh4 Bh3 35 Rfe1 Ra3, he had lost two pawns and the initiative. Now he had to start conjuring.

On 40...Ng4, the trap with 41 Rb8? Kf7 42 Rb7 would be sprung by 42...Nf2 43 Kg1 Nh3 44 Kh1 (44 Kf1? Rf2 mate) Nf2 producing perpetual check.

Finally, Dzindzichashvili took back the initiative with 48 Re5!, when 48...Rg2? was prevented by 49 Kh1 Rg3 50 Kh2 h4 51 Rh5 Kg8 52 Rh4, winning a piece.



Position after 23 . . . Ne3

Sherzer made everything easy with 49...Bg2 50 R:c6 Kh7 51 Rh5 Kg8 52 70 Kh2 h5 41 Rh4 Kf8 42 Rh4, Rh2, which cost him his bishop and thus compelled him to give up.

RETI OPENING

White Dzindzichashvili	Black Sherzer	White Dzindzichashvili	Black Sherzer
1 Nf3	d5	21 Qc6	Qd6
2 c4	e6	22 Qd6	cd
3 g3	Nf6	23 Nd4	Nd5
4 Bg2	Be7	24 Qe3	Rfe8
5 0-0	0-0	25 Rfe1	Ra3
6 b3	b6	26 f5	Bh7
7 Bb2	Bb7	27 Qg5	Nf8
8 d3	Nbd7	28 Kh2	Bd4
9 Nbd2	c5	29 Ne6!	fe
10 e4	cd	30 Bf6	Qc7
11 Nd4	Qc7	31 Ba8	Ra8
12 Nc2	Rfd8	32 fe	Resigns
13 Qe2	Rac8		
14 Rad1	Rd7		
15 Nd4	Ne8		
16 de	Ne4		
17 Rad1	Rfe8		
18 f3	Nef6		
19 e4	White		
20 e5!	Nd5		

BOOKS

KING EDWARD VIII

By Philip Ziegler. 552 pages. $24.95. Alfred A. Knopf, 201 East 50th Street, New York, N. Y. 10022.

Reviewed by Stanley Weintraub

BOOKS about Edward VIII, even the newest and most sympathetic of the lot, suggest that Britain lucked out. Winston Churchill, a loyalist who had assisted with the poignant "woman I love" abdication address in December 1936, even predicted wryly that "a grateful commonwealth," recognizing that the twice-married Mrs. Simpson had saved it, "will erect her statue." Charitably, Philip Ziegler does not quote Churchill in his biography "King Edward VIII."

Since Edward's only impact on history was his opting out of it, why another life? Ziegler implies that history has been unfair and owes Edward at least the forgiveness due an abused child gone wrong. Badly schooled and reined in at every opportunity, he understood as he came of age that he had only two princely duties. He was surrogate for the recusive king, and he was to sire the succession. Often diverted by drink and dalliance, he was a mixed success on the road. An arrested adolescent with a martinet father and an exacting mother, he preferred married, maternal women to nubile potential brides.

The prince's susceptibility to women who were more dominating than demure emerged early. Ziegler's major find is the correspondence with the first of them, Freda Dudley Ward, the pretty wife of a complaisant MP. The link lasted from 1917, when Edward was 23, until 1934, although toward the end another half-American beauty, Thelma Furness, was sharing the prince. A brief voyage to New York proved her undoing. She made the mistake of asking Baltimore-born Wallis Warfield Simpson to look after Edward in the interim.

Although Duff Cooper, the prince's friend, later a cabinet minister, found Mrs. Simpson "hard as nails," that quality captivated Edward. More than her predecessors, she exploited his needs for sexual self-abasement. Wallis dazzled him by her sophistication and demanded his total devotion. He gave it, abjectly, although the embarrassing evidence in the infantile letters published in 1986 as "Wallis and Edward" is curiously absent from Ziegler's pages.

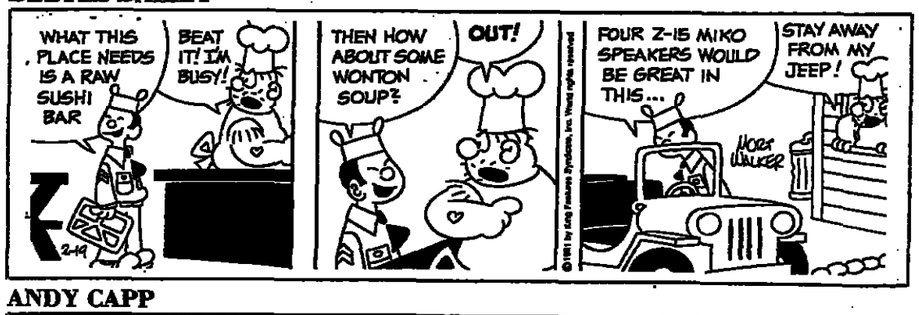
Doomed as Duke of Windsor to a peripatetic life, Edward thought he might be rescued for some service by World War II. But as governor of the Bahamas he languished on the thin edge of history until the end of the war. Then it was back to France, where he and Wallis elegantly did nothing until the end of his life.

While conceding their faults, Ziegler is excessively generous to a singularly ungenerous couple. He glosses over or omits evidences of the meanness and malodorousness of Edward and his Wallis. To a British bureaucrat assigned to keep tabs on the Windsors, they were "the arch-beachcombers of the world."

Stanley Weintraub, the author of many books on 20th century British literature and social history, wrote this for The Washington Post.

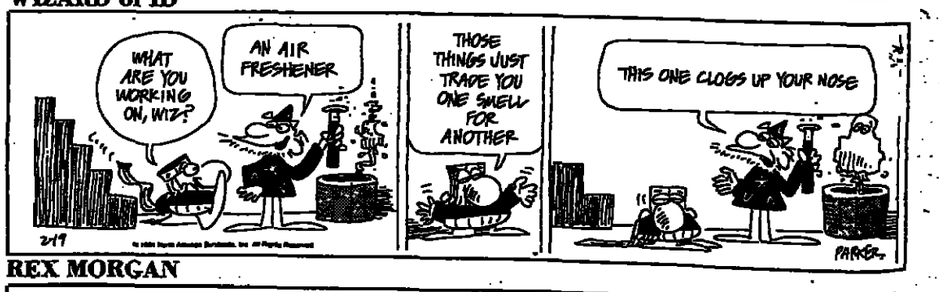
PEANUTS

BEETLE BAILEY



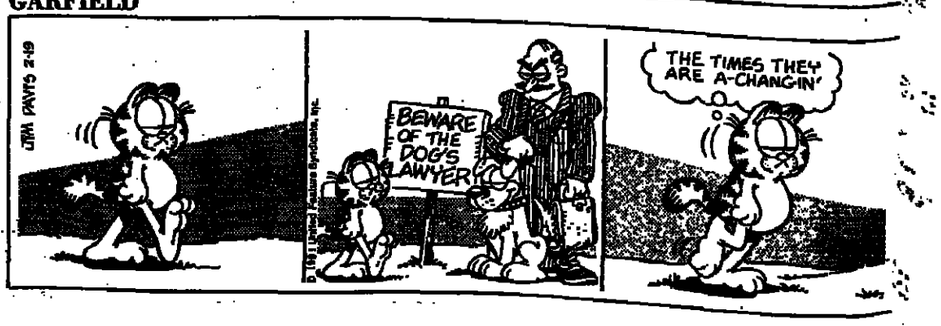
ANDY CAPP

WIZARD of ID



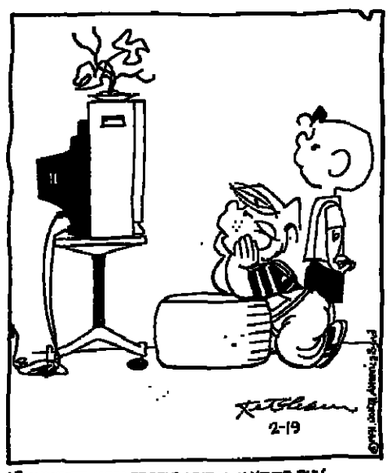
REX MORGAN

GARFIELD



DOONESBURY

DENNIS THE MENACE



"I WONDER HOW PEOPLE KNEW WHAT TO BUY BEFORE THEY HAD TELEVISION?"

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NEPOR

AVARL

LIVRIE

UMLUTT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ○○○○○○ THEM

(Answers tomorrow)

Yesterday's Jumbles: ENJOY HOVEL PARODY UNFOLD
Answer: You can always depend on some so-called friend to — — — DEPEND ON YOU

هكذا من الاصل

هكذا من الاصل

SPORTS

Georgia Tech Tops Arizona, Saves Season

By Thomas George
New York Times Service

EAST RUTHERFORD, New Jersey — The Georgia Tech-Arizona game was billed as "Hoops That Help," because the proceeds were to benefit the homeless in the teams' home cities, Atlanta and Tucson. But for the Yellow Jackets, it also was a game that saved a season.

Georgia Tech entered with a 13-9 record and a three-game losing streak, and was beginning to doubt its chances of making the National

COLLEGE BASKETBALL

Collegiate Athletic Association's 64-team tournament next month. It left with a 62-56 victory over No. 6-ranked Arizona.

The Yellow Jackets had a hard time explaining just how this happened, and the Wildcats (20-5) were not so sure, either.

Arizona's so-called Tucson Skyline — Ed Stokes at center and Brian Williams and Chris Mills at forward — was supposed to dominate Tech's smaller and more inexperienced front line. The Wildcats' depth was supposed to keep the Yellow Jackets on their heels and then on their toes gasping for air. Arizona's savvy passing was supposed to spin the Yellow Jackets until they became dizzy.

Georgia Tech's only hope was supposed to be Kenny Anderson at point guard.

In 40 minutes, Anderson made six of 21 shots from the field, missed all five of his three-point shots, made 6 turnovers and finished with 15 points.

"Very weird, huh?" said Jon Barry, a son of Rick Barry, the former pro all-star, who finished with a team-high 19 points and made five steals for Georgia Tech.

"I said before the game," said Lute Olson, Arizona's coach, "that Anderson could get 40 but that we couldn't let him shoot a better percentage than we did. Well, we won that war on all counts, but then we didn't do what we do best."

The sluggish Wildcats were nearly lulled to sleep in most facets of the game. The Yellow Jackets rarely took a shot without making a dozen passes and draining the 45-second shot clock inside single digits. They were patient and smart, then used a zone defense to help neutralize Arizona's big men.

With 6 minutes, 49 seconds left, the Yellow Jackets led by 53-44 after a layup by center Malcolm Mackey. Arizona closed to 57-56 with 1:25 left, but four free throws by Anderson and two by Mackey then ensured victory.

Mackey finished with 13 points and eight rebounds. Teammates Bryan Hill and Ivano Newbill had eight rebounds apiece.

A 47-34 rebounding edge and a 23-8 lead in free throws were telling numbers on just how thoroughly Arizona had been outplayed in the middle. Williams finished strong with 20 points, but he was a culprit in the first half as the Arizona front line made only five of 15 close-in shots.

In other games involving top 25 teams, The Associated Press reported:

No. 20 LSU 88, Alabama 81: Shaquille O'Neal had 36 points, 19 rebounds and seven blocked shots in the game in Baton Rouge, Louisiana. He scored five of his points on foul shots in the final two minutes as LSU (17-7) tied Alabama (16-7) for the SEC lead at 10-4. Alabama had a six-game winning streak snapped.

Houston 82, No. 24 Texas 73: Byron Smith's 29 points in the Southeastern Conference game in Houston helped his team (15-8 overall, 7-5 in the conference) end a 10-game winning streak by the Longhorns (17-6, 11-2). Smith had made two of 18 shots in his two previous games, both Houston losses. Locksley Collie led Texas with 24 points.

■ Robert Morris Hearing Set

A hearing on Robert Morris College's lawsuit against the NCAA has been scheduled for Thursday, the last day of the college basketball season. The Associated Press reported from Pittsburgh.

The lawsuit filed Feb. 14 in Allegheny County Common Pleas Court argued the NCAA punished the Pittsburgh college too harshly for repaying part of a basketball player's bank loan.

The NCAA has banned Robert Morris from postseason play and ordered it to return $88,145 in 1989 tournament revenue.

In 2d Overtime, Ohio St. Leaves Doubt (and Indiana) Behind

Jackson Scores 30 Points, Makes Key Pass in Big Ten Showdown Between Nos. 2 and 4 Teams

By Joe Lapointe
New York Times Service

COLUMBUS, Ohio — When the Ohio State Buckeyes went undefeated in their first 10 games this season, it was easy to minimize their success. Wait until they get into their Big Ten Conference games, observers said.

See how far a second-year coach and a sophomore superstar can carry a team that was picked to finish third in the conference at best.

When the Buckeyes took the lead in the league, amassing an 11-1 conference record by the end of last week, the doubters still were not convinced. Wait until they play Indiana in the rematch, they said. A smart, veteran coach like Bobby Knight will know how to get revenge for an early season loss on his home court.

The Buckeyes and the Hoosiers played that rematch here Sunday in St. John Arena, and the Buckeyes won before a screaming, shrieking throng that filled all 13,276 wooden seats in the old, balconied barn.

The score was tied at the end of regulation time. It was tied after the first overtime. And it was tied in the last moments of the second overtime until the Buckeyes' Treg Lee scored on a 10-foot (3-meter) jump shot from the left baseline with four seconds left, after a pass from Jimmy Jackson.

Indiana got a last chance, on an inbounds pass from midcourt with a single second left on the clock. But Pat Graham's long jumper banged harmlessly off the backboard and the Buckeyes pranced off the court with pride and respect and a 97-95 victory, their 16th consecutive triumph at home.

Ranked second in The Associated Press poll, Ohio State, whose only loss is to Michigan State, has a record of 22-1 overall and 12-1 in the Big Ten. Indiana, ranked fourth, is 22-3 and 10-2.

Randy Ayers, 34, has a 39-14 record in his two seasons as coach of the Buckeyes. Knight is in his 20th season at Indiana. Asked how it felt to defeat the dean of the league this afternoon, Ayers replied, "I haven't been around long enough to understand how big a win it is."

The game was big enough to be covered on national television, and big enough to command $100 a ticket from scalpers along Lane Avenue. Both teams played well and neither cracked under pressure, although the Hoosiers held a five-point lead with a minute left in regulation and a four-point lead at one stage in the first overtime. The score was tied 20 times and the lead changed 20 times.

Jackson, the sophomore star, led the Buckeyes with 30 points, 11 rebounds and six assists. He also disrupted two last-second shots by Indiana in the first extra period.

Most impressive for Indiana was freshman guard Damon Bailey, who led his team with 32 points and scored 12 of its 17 points in overtime.

Although he usually plays forward, Jackson had to move to point guard after Mark Baker left the game early with a sprained ankle. Jackson sent the game into overtime by making a short shot at the buzzer that ended regulation play.

Indiana, which lost the first matchup between the teams by 93-85 in Bloomington on Jan. 21, had its 5-point lead cut to 77-76 on two free throws by Jamaal Brown and two more by Lee with 20 seconds left.

After Bailey missed the second of his one-and-one bonus free throws with 12 seconds left, Ohio State rebounded and called time with seven seconds to go.

Jackson took the ball near midcourt and worked his way into the lane, from where he lofted a shot over Eric Anderson with one second left to force the first five-minute extra period.

In it, the Hoosiers took an 85-81 lead on Bailey's three-point shot with 2:52 left. Ohio State, trailing by 87-83 after another basket by Bailey with 2:06 left, scored the next four points on baskets by Perry Carter off a rebound and Lee's 10-foot baseline jumper from the right side.

Jackson blocked a potential game-winning shot by Bailey, then forced Chris Reynolds to alter his shot at the buzzer, pushing the teams to a second overtime.

Toward the end of it, with the score 95-95, Jackson dribbled toward the lane and found himself double-teamed.

"So he made eye contact with me," Lee said, "and he passed, just the way we do in practice."

Lee finished with 14 points. Carter had 22 for the Buckeyes and Brown added 17.

For Indiana, Bailey played with precocious poise, especially after Calbert Cheaney, the team's leader, fouled out with 20 seconds left in regulation. Bailey made 11 of 15 field-goal attempts, got three important rebounds, played 46 of 50 minutes and finished the game with no turnovers.

Cheaney finished with 26 points and Anderson 20 for the Hoosiers.

Greg Sailor/The Associated Press

Jimmy Jackson, taking the ball away from Calbert Cheaney, also disrupted two last-second shots by Indiana in the first extra period.

Pirates 'Win' Again in Arbitration, Leaving Bonds Bitter at $2.3 Million

The Associated Press

NEW YORK — It seems that winning the Cy Young Award is more profitable these days for a major league baseball player than winning a league's most valuable player award.

Doug Drabek, the Cy Young winner, and Barry Bonds, the National League MVP, both play for the Pittsburgh Pirates and both have had salary arbitration hearings.

Bonds lost his case Sunday, ending up with a $2.3 million salary and some bitterness after Drabek came up with a record award of $3.3 million three days earlier.

It was the second straight victory of sorts for the Pirates. On Saturday, their right fielder, Bobby Bonilla, lost his request to receive an arbitration record of $3,475,000 in 1991 and will make $2.4 million.

Bonds hit .301 last season with 33 homers and 114 runs batted in as the Pirates won the NL East title. Drabek posted 22 victories; Bonds stole 52 bases and led the NL with a .565 slugging percentage.

When negotiations for a multiyear deal stalled, Bonds said he wanted to be traded.

Bonilla, who hit 32 home runs and drove in 120 runs last season, had turned down a four-year $16 million offer from the Pirates. He is eligible for free agency after the 1991 season. Bonds must wait until after the 1992 season.

"I'm in my sixth year," Bonilla said. "There are a lot of possibilities. I thought with Doug winning his case, I was sure that would put me over the hump."

Cleveland pitcher Greg Swindell won his arbitration case Sunday to leave the owners with a 6-5 lead. With less than a week remaining in arbitration, 17 players remain scheduled for hearings. Of those who filed for arbitration — most settling before hearings — there has been an average salary increase of about $535,000.

Bonds also lost his arbitration request in 1990. Last season, he asked for $1.6 million, up from his 1989 salary of less than $400,000.

"You've got to remember, the club offer was almost three times his salary," said Rick Cerrone, the Pirates' spokesman.

Bonds made $850,000 last year, but thinks he should be paid on a scale similar to that of the New York Mets' Darryl Strawberry or the Oakland Athletics' Jose Canseco — more than $20 million over five years.

Swindell will make $2,025,000 in 1991 instead of the $1.4 million the club offered.

The ace of the Indians' staff, he was hampered by arm troubles last season and finished with a 12-9 record and a 4.40 earned run average in 34 starts. He made $890,000 in 1990.

The Indians avoided arbitration with another pitcher Sunday. John Farrell, who made $320,000 last season, agreed to a one-year deal for $410,000.

Ivan Calderon avoided arbitration and signed a three-year contract worth $7.8 million with the Montreal Expos.

The outfielder was scheduled for an arbitration hearing on Wednesday. He was asking for $2.25 million for the 1991 season, while the Expos countered with $1.7 million.

Calderon, who played for the Chicago White Sox last season, was acquired along with reliever Barry Jones in the deal that sent outfielder Tim Raines to the White Sox in December.

Calderon, who hit .273 with 14 home runs and 74 RBIs for the White Sox in 1990, earned $950,000 last season.

Krabbe, Drechsler To Compete in Paris

Reuters

BONN — Katrin Krabbe, the fastest woman over 60 meters this year, will head an all-German team Saturday in Paris in its first international athletics since unification.

The European champion, who ran 7.06 seconds at the German national championships last weekend, was named Monday to the team for the indoor six-nation meet with France, the Soviet Union, Italy, Spain and Britain.

Also on the team is former East German teammate Heike Drechsler, who long jumped 7.18 meters in Dortmund, just 19 centimeters under her world record.

The Paris meet is a warm-up for next month's world indoor championships in Seville, Spain.

Palmers' Pitch for a Comeback Should Strike a Bad Chord With Orioles

By Thomas Boswell
Washington Post Service

WASHINGTON — If the Baltimore Orioles give 45-year-old Jim Palmer a serious tryout during spring training, they will be making a mistake.

In private life, Palmer is a great guy. In a baseball uniform, he is not. During the last six years of his major league career, he drove the Orioles' brass crazy with his demands for special treatment, with his assorted ailments real and otherwise and with his second-guessing. He infuriated the manager, Earl Weaver, which wasn't hard; alienated the general manager, Hank Peters, which was, and antagonized most of the teammates who'd worshiped him.

Vantage Point

On the day the Orioles fired Palmer, he cried. Few others in the organization cried with him.

Everybody sympathized with him and appreciated his 268 victories. And many liked him a lot, in spite of his quirks. But for the most part, the Orioles were glad to get him out of the clubhouse. Palmer was 53-36 his last six seasons. But the price in turmoil the Orioles paid was very high for what averaged out to 9-6 records.

Why is Palmer doing this? The guess here is that it's acute Nolan Envy.

In the opening game of the 1979 American League championship series, Weaver bypassed Cy Young Award winner Mike Flanagan (who has been invited to the Orioles' training camp this year as a nonroster player) so that he could start Palmer (10-6) against Ryan, who had led the league in strikeouts and shutouts.

Palmer protested, saying that Flanagan deserved the start, that Weaver was wrong.

Weaver wouldn't explain his reasoning for the record. But, privately, he believed Palmer would never lose a big game to Ryan because Ryan inspired every iota of the competitor in Palmer. And, Palmer went nine strong innings. Ryan lasted seven. The Orioles won in the 10th and went to the World Series.

Now, Ryan is 44 and bigger than ever. He's won 20 games only twice and he's never been in the rotation of a pennant winner. But, historically, he has eclipsed Palmer, who was, in their time, the better pitcher. As long as baseball is played, Ryan will be a giant. Palmer may be remembered most for his good looks.

How can Palmer steal some of Ryan's thunder? For that matter, how can he one-up Tom Seaver, who hung on to win 300 games while Palmer couldn't?

Ryan, Palmer and Seaver were friends. But they also measured themselves against each other. They saw themselves locked in a battle for a place in lore. All handsome. All signature fastball pitchers. Ryan got the records. Seaver got the adoring New York press. Palmer got, well, a lot of opportunities to model and relatively little ink, except for his fights with Weaver.

WHY would a man pose in his underwear, as Palmer has? It was his way of moving up in the glamour league. Maybe he was stuck in Baltimore. But his picture was beside every road in America.

Palmer is one of the most intelligent, complex and eccentric men who has ever reached the Hall of Fame. The rule of thumb with Palmer is this: Whatever he seems to be, he's also, in reality, the opposite. He looks calm; he's also a bundle of nerves. He's in fantastically good health; he also worries too much about himself. He looks perfect; he's a compulsive perfectionist whose complexes have complexes. He's kindly, well-mannered and does many good works; he's also self-centered.

This is how friendly the Orioles were with Palmer at the end. A reporter called to tell him he was going to be released. Did he have a comment? "They're not going to cut me," he said. Two days later, he was. The story was in the paper before Palmer was told.

On Wednesday, the Orioles sent their minor league pitching coach, Dick Bosman, to Miami to watch Palmer throw batting practice. Some other teams came, too.

"His velocity was slightly below average and he had a pretty decent curveball," said Bosman, whose job is to develop young Palmers, not find ways to clog the pipeline with the old one. "Don't ask me if he can get big-league hitters out, because I don't know."

"My elbow felt fine," said Palmer. "I think people are surprised I can throw the ball as well as I can. After two months, I'm not about to give this thing up."

Weaver always said Palmer needed years, not days, between starts. Now, he's had six of them. If Palmer wants to do this, more power to him. Let him have his midlife-crisis comeback. And if some pitching-poor franchise wants to hype the gate with him, go for it.

If the Orioles want to indulge a former star, let it be Flanagan, 39, with lots of favors still due. He'd be a clubhouse leader in any role, no matter how humble. But if, out of a sense of obligation, the Orioles, with their team morale and their pitching in good order, let Palmer throw one pitch for them they will regret it.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division	W	L	Pct	GB
Boston	39	12	.765	—
Philadelphia	26	24	.520	12½
New York	22	29	.431	17
Washington	22	30	.423	17½
New Jersey	16	35	.314	23
Miami	15	35	.300	23½
Central Division				
Chicago	35	14	.714	—
Detroit	35	17	.673	1½
Milwaukee	32	20	.615	4½
Atlanta	27	23	.540	8½
Indiana	21	28	.429	14
Cleveland	18	33	.353	18
Charlotte	15	35	.300	20½

WESTERN CONFERENCE

Midwest Division	W	L	Pct	GB
San Antonio	33	15	.688	—
Utah	33	17	.660	1
Houston	29	22	.569	5½
Dallas	19	29	.396	14
Minnesota	14	33	.327	17½
Orlando	15	36	.300	19
Denver	14	38	.286	19½
Pacific Division				
Portland	41	10	.804	—
L.A. Lakers	37	13	.740	3½
Phoenix	32	17	.653	8
Golden State	28	21	.571	12
Seattle	23	25	.479	16½
L.A. Clippers	16	34	.320	24½
Sacramento	15	33	.313	24½

SUNDAY'S RESULTS

Portland 22 17 28 29— 96
L.A. Lakers 17 29 34 35—105
Drexler 11-21 5-6 29, Duckworth 9-17 8-8 16; Worthy 14-26 2-3 30, Johnson 8-14 7-8 24. Rebounds: Portland 56 (Duckworth 10), Los Angeles 57 (Perkins 12). Assists: Portland 28 (Porter 16), Los Angeles 30 (Johnson 16).

Philadelphia 25 24 28 24—101
L.A. Clippers 30 16 29 29—104
Barkley 10-16 3-5 24, Hawkins 9-17 2-2 24; Manning 10-19 1-1 21, Norman 9-16 1-2 19. Rebounds: Philadelphia 47 (Barkley 11), Los Angeles 42 (Benjamin 11). Assists: Philadelphia 23 (Turner 7), Los Angeles 31 (Grant 14).

Milwaukee 29 17 23 32 39—137
Orlando 28 22 21 27 11—109
Schayes 7-17 12-14 26, Grayer 7-16 5-7 19; Skiles 7-11 5-5 20, Smith 9-22 2-2 20. Rebounds: Milwaukee 68 (Grayer 13), Orlando 48 (Acres 17). Assists: Milwaukee 24 (Conner, Henson 7), Orlando 24 (Skiles 10).

Boston 36 31 28 29—124
Denver 23 18 33 36—110
Bird 10-16 1-2 24, Gamble 10-17 1-2 21; Woolridge 10-18 3-5 23, Jackson 10-21 0-0 20. Rebounds: Boston 64 (Shaw 9), Denver 57 (Rasmussen 10). Assists: Boston 25 (Shaw 9), Denver 23 (Jackson 6).

Cleveland 24 26 31 25—106
Washington 26 26 31 21—104
Nance 11-28 5-7 27, Daugherty 8-17 6-8 22; Enoliah 12-20 7-8 31, King 10-22 5-5 25. Rebounds: Cleveland 44 (Daugherty 11), Washington 51 (Ellison 11). Assists: Cleveland 22 (Daugherty, Ehlo 5), Washington 27 (English 10).

Detroit 24 15 19 36— 88
New York 16 33 29 38—116
Johnson 11-16 1-3 23, Bedford 6-8 2-2 15; Ewing 11-20 6-7 28, Vandeweghe 8-15 3-3 20. Rebounds: Detroit 43 (Rodman 8), New York 48 (Oakley 15). Assists: Detroit 20 (Johnson 6), New York 34 (Jackson 11).
Sacramento 18 38 26 36—118
Indiana 36 28 25 23—112
Carr 13-18 9-10 35, Simmons 11-23 7-8 29; M. Williams 7-8 8-10 22, Smits 9-13 4-6 22. Rebounds: Sacramento 50 (Sampson 13), Indiana 52 (Schrempf 12). Assists: Sacramento 24 (Les 7), Indiana 25 (M. Williams 7).

Major College Scores

SUNDAY'S RESULTS

Duquesne 93, West Virginia 88
Georgia Tech 62, Arizona 56
Iona 81, St. Peter's 66
LSU 88, Alabama 81
SW Louisiana 94, S. Utah 82
Dayton 83, Xavier, Ohio 79
Marquette 75, Loyola, Ill. 70, OT
Ohio St. 97, Indiana 95, 2OT
Houston 82, Texas 73
Southern Cal 85, California 76

TRANSACTIONS

BASEBALL
American League
SEATTLE—Signed Rich DeLucia and Brent Knackert, pitchers, to one-year contracts.
National League
SAN FRANCISCO—Signed Greg Litton, infielder, and Francisco Oliveras, pitcher, to one-year contracts.

BASKETBALL
National Basketball Association
DETROIT—Signed John Long, guard, for rest of season.
MIAMI—Put Jon Sundvold, guard, on injured list. Activated Terry Davis, forward, from injured list.
NEW JERSEY—Activated Sam Bowie, center, from injured list. Put Kurk Lee, guard, on injured list.
SAN ANTONIO—Signed Clifford Lett, guard, to 10-day contract.
FOOTBALL
National Football League
NEW ORLEANS—Signed Calvin Nicholson, cornerback, and Chris Port, tackle, to one-year contracts.
N.Y. JETS—Named Foge Fazio linebacker coach and Al Roberts special teams coach.
TAMPA BAY—Named Ray Hamilton assistant defensive line coach.
COLLEGE
EVANSVILLE—Named Robin Cooper football coach.
FRESNO STATE—Named Kelly Skipper running back coach.
NORTH TEXAS—Named Steve Sloan athletic director.
UC IRVINE—Named Ed Carroll assistant athletic director for financial affairs.
WEST VIRGINIA—Dwight Wallace, quarterbacks and receivers coach, resigned.

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts	GF	GA
N.Y. Rangers	31	20	9	71	225	186
Pittsburgh	30	26	3	63	250	222
Philadelphia	28	27	6	62	199	190
New Jersey	25	24	11	61	212	198
Washington	27	30	3	57	193	205
N.Y. Islanders	20	32	8	48	174	216
Adams Division						
x-Boston	36	18	9	80	235	202
Montreal	32	23	7	71	212	192
Hartford	27	27	6	60	175	195
Buffalo	22	24	14	58	207	205
Quebec	12	36	10	34	168	265
CAMPBELL CONFERENCE						
Norris Division						
Chicago	36	19	5	77	198	156
St. Louis	35	17	7	77	232	189
Detroit	26	30	6	58	213	229
Minnesota	20	32	10	50	195	215
Toronto	17	37	6	40	175	245
Smythe Division						
Los Angeles	32	20	7	71	244	192
Calgary	22	21	6	70	245	186
Edmonton	28	28	3	59	204	198
Winnipeg	22	31	10	54	208	218
Vancouver	21	35	5	47	181	237

x-clinched playoff berth

SUNDAY'S RESULTS

Detroit	0	0	3	0—3
Chicago	2	1	0	0—3

Yzerman (42), Marsh (1), Fedorov (28); Thomas (12), Manson (9), Peluso (4). Shots on goal: Detroit (on Belfour) 5-9-18-0—32. Chicago (on Hanlan) 11-8-7-6—32.

Quebec	0	0	0	0—0
Winnipeg	2	2	2	2—6

Ehlmaik (26), Marchment (2), Ashton 2 (11), Housley (19), Numminen (8). Shots on goal: Quebec (on Taborocci) 12-6-7—25, Winnipeg (on Fiset) 12-16-11—39.

Toronto	1	1	1	1—3
Buffalo	0	1	0	0—1

Zezel (12), Petit (11), DeBois (12). Shots on goal: Toronto (on Wakaluk) 11-4-4—19. Buffalo (on Reese) 9-10-9—28.

St. Louis	0	3	1	1—4
Calgary	2	4	1	0—7

Oates (16), Hull 2 (63), Brind'Amour (12); Roberts (17), T. Hunter (4), Fenton 2 (11), Fleury 3 (30). Shots on goal: St. Louis (on Vernon) 8-14-10—32. Calgary (on Riendeau) 14-17-7—38.

TENNIS

WOMEN'S INDOOR TOURNAMENT
In Aurora, Colorado
Final
Lori McNeil (4), U.S., def. Manon Bollegraf (2), Netherlands, 6-3, 6-4.

Late-Lap Crash Decides Daytona 500

Washington Post Service

DAYTONA BEACH, Florida — The 33d running of the Daytona 500 figured to come down to Dale Earnhardt and Davey Allison running neck-and-neck for the checkered flag.

They were all right, at 200 mph (324 kph) with three laps to go Sunday and only Swervin' Ernie Irvan between them and the $200,000-plus winner's purse. But, suddenly, the improbable happened.

"I was looking at them in the mirror," said Irvan. "I knew we were close and I thought, 'Any time now they'll get single-file and run me down.'

"But then Earnhardt got sideways, which just doesn't happen, and I guess he touched Davey and then it was all smoke back there."

For the second straight year, NASCAR's biggest money winner had spun himself out of contention for stock car racing's grand prize, the one big race he's never won. And along the way this year, Earnhardt took out pole-sitter Allison and strong-running Kyle Petty.

The upshot was the first Winston Cup superspeedway victory in 64 tries for Irvan, 32, and only his second victory in a NASCAR event of any description.

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(Continued From Back Page)

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ART BUCHWALD

The Harassed Man

WASHINGTON — "A federal judge has ruled that a Reston woman was not being sexually harassed when her boss gave her cards and gifts, rubbed her back and hands, and regularly escorted her to the bathroom and her car." So reported Mark Potts in The Washington Post.

It was a landmark decision since the judge said that the person who claimed she was harassed was sending out mixed signals, and the attention that the plaintiff received did not create an uncomfortable working environment. There was, the judge declared, no direct sexual harassment.

Buchwald

We've had a similar situation on our third floor, so we empathize with this case. Katrinka, who is involved with computers, seems to have a mad crush on Orloff, the librarian. She is serious about this because she has told anyone who will listen, "I'll follow him to any Club Med he will lead me to."

Katrinka doesn't pinch Orloff in the library, but witnesses have seen her rub against his shoulders and place Snickers bars on his desk. On a few occasions, Orloff has broken into tears and cried, "Why are you doing this to me?" Katrinka has replied, "You're all I've got."

□

Orloff has consulted us about what he should do.

I've told him, "You can't do anything unless she engages in sexual harassment."

Orloff asked, "What does that mean?"

"She has to make an indecent proposition that will sicken Jesse Helms."

"She never fails," Orloff said.

"Did you encourage her in any way?"

"No. On the contrary. I begged her to stop dancing on the library conference table."

"Do you have that on tape?"

"No, most of what I do is with microfilm."

"I'll see how I can help."

□

I went over to talk to Katrinka. I told her, "You have to stop sexually harassing Orloff."

"Why? I hope someday that he will be Mr. Katrinka. How do you think people get married if they don't buzz around the office with each other?"

"The office is not the place for women to sneak up on men and rub their necks."

Katrinka said, "It's not the end all, but it's a start."

"Well," I insisted, "Orloff doesn't like it."

Katrinka laughed. "Orloff doesn't know what he likes. Most of the marriages in this country were made in offices where women knew exactly what they wanted and men had no idea what they were looking for. Sexual harassment is in the eye of the person who drinks the most coffee at the vending machine."

□

"So you intend to pursue your campaign for Orloff?"

"Someday, when we're keeping house, he will realize that I am more than a potted plant."

"Let's switch it around. Suppose Orloff loved you and you couldn't stand him."

"No problem. I'd sue him for molesting me."

Cars Are Banned From Alhambra

The Associated Press

GRANADA, Spain — Cars were banned Monday from the Alhambra, Spain's biggest single tourist attraction, to lessen the damage of exhaust fumes to the Moorish fortress-palace's stone walls. The Alhambra is considered the major surviving example of Muslim architecture in Spain.

Until now, some automobiles have been allowed to drive within the fortress walls to the side of the 14th century Arab palace. The new measure ensures that vehicles will get no closer than a large parking lot at the edge of the site. "The pollution was eating away at the stone," a monument official said. "This had become a parking garage."

The surrender of the fortress to King Ferdinand and Queen Isabella in 1492 signified the end of nearly eight centuries of Arab rule in parts of Spain.

What's Creepy, Crawly and Big in Movies?

By Natalie Angier
New York Times Service

NEW YORK — By the latest scientific estimate, insects and spiders make up 99 percent of all species on Earth. For every pound of us, there are about 300 pounds of them.

So perhaps it is not surprising that Hollywood periodically rediscovers the creatures that biologists call arthropods and everybody else calls bugs.

Right now, moviegoers are riding a wave of movies that feature insects in every possible permutation. There are bugs as murder clues, bugs as ecoterrorists, bugs as metaphors for disease and decay, bugs as metaphors for beauty and rebirth. There are invisible bugs and colossal bugs, politically correct new-age bugs and traditionally evil alien bugs.

It is their surefire ability to provoke audience revulsion that makes insects so appealing to movie makers. "It saves on scriptwriting," said Sally Love, director of the Insect Zoo at the Smithsonian Institution in Washington, who was a consultant for "The Silence of the Lambs."

In "The Silence of the Lambs," Jodie Foster plays an FBI officer in training who finds an enormous moth pupa lodged in the throat of a murder victim.

The moth turns out to be a rare Asian species, and serves as a clue that helps lead to the killer.

The insect also doubles as a symbol for metamorphosis: from the repulsive to the lovely, from one sex to another.

In "Meet the Applegates," a family of enormous cockroach-like creatures from the Amazon assumes the guise of the average American human family and attempts to sabotage a nuclear power plant, hoping to unleash enough radiation to destroy the human race and make the planet safe for insects.

Displaced Amazonian insects were also the theme of "Arachnophobia," in which deadly tropical spiders are transported to a sylvan California town and develop rather too fond a taste for their new setting.

A huge worm burrows underground in "Tremors" and cockroaches infest the apartment of Melanie Griffith and Matthew Modine in "Pacific Heights."

The proliferation of bug-based films seems to mirror a renewed fascination with insects generally. "I've noticed an obsession with insects in the sheer numbers of questions I'm getting from people during talks," said Thomas Eisner, an insect behavioralist at Cornell University in Ithaca, New York, who has done many television shows about insects. People want to know what's going to happen. They ask, 'Are insects going to do us in?' "

A wave of films features insects in every possible permutation.

May R. Berenbaum, a professor of entomology at the University of Illinois in Urbana-Champaign, runs an annual "Insect Fear Film Festival," showing movie clips of insects in an effort to instill fondness and appreciation for the creatures.

Berenbaum said the latest upswing in insect movies stemmed from concerns about the environment. "There's increasing awareness about the tropical rain forests," she said. "And people have heard about the millions of insect species there that have yet to be discovered."

Berenbaum said the recent surge of insect films is the third big wave of its kind.

The first came in the 1950s, when there was a veritable tsunami of movies in which atomic bomb tests produced mutant races of giant bugs. Among the offerings were "The Giant Tarantula," "The Giant Mantis" and "Them!," so-named because when a little girl saw the hypertrophic effects of radiation on ants, she was so traumatized that all she could squeak was, "Them!"

"It was a natural fear to play on," Berenbaum said. "Insects are merely annoying to most people when they're small, but they'd lose all appeal if they got bigger than mobile homes."

The second wave came in the 1970s, she said, when there was a spate of films linking fearful insects to toxic-waste dumps and exploiting the early reports of the "killer bees" that had escaped captivity in Brazil and were heading irrevocably northward.

Included in this wave were "Empire of the Ants," starring Joan Collins, "Terror Out of the Sky" and "Deadly Bees."

And there have been plenty of bugs on the big screen before and between the three great waves.

The first appearance of an insect on celluloid is thought to be in "Ladyflowers and Butterflies," a short feature made in 1900. But insects did not get their really big break until Luis Buñuel discovered their easy shock value and had ants swarming over a human hand and cockroaches crawling from a piano in his 1928 surrealistic picture, "Un Chien Andalou."

Because they are responsible for recycling dead organisms, insects are a handy analogy for death and disintegration. They often eat waste matter, and so they can be a sign of filth or moral turpitude.

In depicting aliens, movie makers often use parts of insects, like antennae, elbows that bend in the wrong direction, multifaceted fly eyes.

The creatures in "Alien" have a life cycle much like parasitic wasps that develop inside hosts before burrowing out. The aliens also have extendable mouths-within-mouths like the mouth parts of certain types of dragonflies. "Insects are so structurally different from humans that they seem like aliens," Berenbaum said. "There's no point of empathy."

Insects are also much easier to manipulate on the set than are other animals. They have stereotyped hard-wired behavior, entomologists say, and they will unfailingly perform any one of their limited activities if given the proper stimulus.

A cockroach will run away from a light source, and bees can be made to fly in certain directions by anyone who understands their behavior.

Raymond A. Mendez, a photographer and special-effects expert in New York who had the job of manipulating the moths in "The Silence of the Lambs," says insects are such malleable actors that in the 1970s he coined a term for the sort of work he does with them in movies: insect wrangler.

"I have a lot of friends who are animal trainers, and they spend hundreds of hours training their animals" for movie roles," Mendez said. "I thought it would be a disservice to them to call myself an 'insect trainer.' "

With insects, he said, "You're working with mobility machines, and what you're doing is more like a cattle wrangler who herds his cattle along."

But Mendez did have to do a few tricks in preparing the moth for their role. For ... proved too complicated to obtain real specimens of the rare species desired, Acherontia styx, the death's-head moth, which is found only in Asia and part of Australia.

So Mendez, who studied entomology as an undergraduate at City College in New York, started with commoner relatives of the moth, anesthetized them, scraped the scales off their back and painted on the markings of the death's-head insect.

To get the moths to fly and swoop around the basement set of the movie, Mendez designed a little harness with fine tungsten wire coming out of it, which was placed on the insect's back.

Mendez, who has done similar insect jobs for many other movies, says that though this work is his "life's love" and that he is fascinated with insects, he also appreciates another easy aspect of working with them.

On the set of "Creepshow," he prepared one scene by filling a room with 27,000 cockroaches — and the big water buglike American species at that. When the shooting was finished, he did what could never be done with, say, movie cats, birds or ponies: He sealed up the room, and set off an insecticide bomb.

PEOPLE

National Book Critics Pick Updike's 'Rabbit'

The National Book Critics Circle picked "Rabbit at Rest" by **John Updike** as the best work of fiction published in the United States last year. "The Content of Our Character: A New Vision of Race in America" by **Shelby Steele** won the general nonfiction award. Other winners were "Means of Ascent: The Years of Lyndon Johnson," by **Robert A. Caro** in the biography-autobiography category; "Bitter Angel," by **Amy Gerstler**, poetry; and "Encounters and Reflections: Art in the Historical Present," by **Arthur C. Danto**, criticism. The awards will be presented March 14.

□

Robert Mitchum canceled plans to attend the Berlin Film Festival, even though the festival is showing a retrospective of his work. **Hans Helmut Prinzler**, director of the 17-film retrospective said the festival had repeatedly tried to persuade Mitchum to attend. Prinzler said that **Jane Russell** had also attempted to get Mitchum to come. A Russell retrospective features 12 of her films from the 1940s and 1950s. The 12-day festival opened Friday with "Uranus," starring **Gérard Depardieu**, about Communists from the anti-Nazi Résistance settling scores with French collaborators after the war.

□

The version of "American Psycho" to be published next month by Vintage Books will include many changes from **Bret Easton Ellis's** original manuscript, whose publication was abruptly canceled by Simon & Schuster three months ago. But **Sonny Mehta**, the publisher of Alfred A. Knopf and the man responsible for the purchase of the novel, said that none of the "innumerable adjustments" altered the fundamental thrust or tone of the story, whose graphic descriptions of sexual brutality led Simon & Schuster to cancel publication. Vintage is a division of Knopf. "It is still very m... Bret's book and has not been toned down," Mehta said.

□

The private papers of screen star **Myrna Loy**, who starred in the "Thin Man" film series of the 1930s and '40s, were donated to Boston University for its 20th Century Archives. Loy, 85, will receive an honorary Oscar at the Academy Awards March 25.

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Shouldn't you be reading commentary like this—regularly?

Help Iraqis Wake Up to Their Dictator's Folly

By Leslie H. Gelb

NEW YORK — Saddam Hussein, with his conditional offer to leave Kuwait, finally concedes that he cannot win a military victory. But he still aspires for a political one. George Bush, with his call for Iraqis to dump their dictator, finally reveals that he will not be content with military success and he intends to deny his adversary a postwar political triumph as well.

Ridding Iraq of Saddam is surely the correct ultimate aim. If he were to survive the war as a hero, he would be like a starship existing undetectable death rays, more lethal than any of the look-alike henchmen who might replace him.

But a frontal assault on Saddam will not work. President Bush should let pressure for his departure occur naturally, as a by-product of war and negotiations. He made several avoidable mistakes last week in pursuit of his quarry and could backslide toward other miscues.

Allies' Fear Of Travel Is Costly

By Giles Merritt

BRUSSELS — From a military standpoint Saddam Hussein may well be losing the war, but he is winning it economically. That is to say, the coalition allies are losing the Gulf war in strictly economic terms through their own panicky responses to the threat of Iraqi-sponsored terrorism.

The toast has come to open a bottle of champagne can be put at hundreds of billions of dollars — probably much more than the immediate cost of the fighting in the Gulf.

Without firing a shot or exploding a single bomb, Iraq's terrorist threat has brought tourism and business air travel close to paralysis. Across Europe, airports have become deserted, theaters are empty, conferences are cancelled and restaurants have closed. During the last three months, the specter of terrorist outrages has cut tourism and travel spending around the world by an estimated 25 to 40 percent, depending on the circumstances of individual countries.

The worldwide volume of travel and tourism is nowadays reckoned at $2 trillion a year, employing about 100 million people. The slump reckoned therefore represents a loss of business that can be roughly estimated at between $125 billion and $200 billion. On top of that must be added the related loss of business activity elsewhere in the Western economies. How much of the current slowdown

Aides intercepted Mr. Bush before his early morning speech and told him so, but his corrective did not go far enough. He ended up saying that there was "nothing new here, with the possible exception of" the withdrawal point. When the latest studies, such gyrations talk might damage Mr. Bush's well-earned credibility. It could also look like unseemly overeagerness to discard any peace overture and simply get on with the war.

Other coalition partners, like Canada, reacted much more smartly, noting that the withdrawal points were new but that it was tied to old and new conditions rejected by the United Nations.

Mr. Bush's aides were also surprised on Friday to hear him invite the Iraqi military and people "to take matters into their own hands" and rid themselves of their tyrannical dictator. Although that mirrors the private sentiment of almost all

[illegible] one wants to be accused of [illegible] Saddam's as yet phantom campaign of terrorism can be put at hundreds of billions of dollars — probably much more than the immediate cost of the fighting in the Gulf.

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[illegible] blame and how much to the war is anyone's guess, but the travel standstill certainly isn't helping matters.

In European eyes, the trouble started when major American corporations banned their executives from traveling. The rot spread across the Atlantic, and now many European companies have restricted their employees' movements. Some companies have even ruled out car travel if it means crossing a national frontier.

The upshot has been the serious financial crisis now racking European airlines and the emergency financial rescue package being put together by the Commission of the European Community.

These travel bans are unseemly and unnecessary. Even if Iraqi terror squads were operating in earnest, the risks of air travel would increase only marginally, from the infinitesimal to the minute.

The U.S. government has recently taken steps to restore confidence in business travel, and European governments should follow suit. Robert [illegible] Transportation, Richard Darman and Samuel Skinner, secretary of transportation, have sent a joint letter to the Business Roundtable in New York urging its members to "reexamine" their travel policies.

"Several of your member companies have established restrictive travel policies since the outbreak of war in the Gulf, says the letter. "As a result, the same fear and anxiety have spread to smaller companies." It goes on to say: "We urge you to re-examine your travel policies to eliminate as many restrictions as possible."

A similar call for European companies to come to their senses should be made. It should come from national governments, from the European Commission, from trade associations and from industry leaders themselves. In short, it is a call that should be made by anyone with a public voice who shares the view that companies that operate travel bans are fighting Saddam Hussein's war for him.

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